

**Fourth Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, May 26, 2006**

**The House met at 10 a.m.**

**ORDERS OF THE DAY  
GOVERNMENT BUSINESS  
COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**INDUSTRY, ECONOMIC DEVELOPMENT  
AND MINES**

\* (10:00)

**The Acting Chairperson (Mr. Bidhu Jha):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Industry, Economic Development and Mines.

As had been previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

**Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines):** As per yesterday, I had endeavoured to get some information for the honourable member. Mr. Donne Flanagan has a technical O/C appointment, Order-in-Council, with an employment agreement/contract.

**Mr. Glen Cummings (Ste. Rose):** Mr. Acting Chairperson, yesterday, we were talking about a list of MIOP loans, and the minister referenced a Freedom of Information request that had come through and had been responded to. I suppose it could be argued that I might have had a different view of this, but the list has about 25 MIOPs that are currently active.

Is that the correct number? I am not worried whether it is 25 or 26, but is that approximately the correct number?

**Mr. Rondeau:** Basically, that is correct. As I explained yesterday, there could be some that are finishing up paying off and some that are just starting, but 25 is the number that is there. I can endeavour to, if there is an O/C, it is public. So, if there is a MIOP that is in the near term or comes out in the next month or two, that will be public as per normal practice in both governments.

**Mr. Cummings:** Thank you to the minister. I was under the impression that there might have been more, and if the department is willing, that was as of October, if that could be easily updated, I would appreciate the most recent information being added to the list when they have a chance.

**Mr. Rondeau:** The Freedom of Information request had requested—it was done on November 10, 2005. The application was talking about the MIOP loans from 1999 to that date, I believe. So the information was provided accordingly for 1999 to that date.

Again, there might have been a MIOP that had been concluded because it was paid off, or there might have been added ones. We will get you the updated list shortly. The thing is we want to make sure that it is accurate, and, as you are aware, as people make monthly payments, they do pay off their MIOP loans, as a person would pay off their mortgage. As MIOPs are invested in enterprises around Manitoba, the list gets added to.

But, generally, there are about 25 enterprises that have loans at any one time. It does go up a little bit and go down a little bit but that has been the history so far.

**Mr. Cummings:** Where we finished off yesterday, we were discussing when the minister became aware of the issues surrounding the Crocus Fund, and how he became aware of that. The minister indicated he did not know there were any difficulties until he saw the fact that the write-downs were occurring.

Between then and when the cease trade occurred, that is a time of some interest, when certainly this minister would have been, I am thinking, concerned about what was clearly a responsibility in terms of reporting in his area. At that point, did he make inquiries as to the knowledge within the department about the situation in Crocus, and what would he have been told at that time?

I want to put this clearly in context. As things began to deteriorate at Crocus, we as MLAs, and I assume the minister as an MLA, would have received the same letter, got a letter that was not exactly, I would not characterize it as threatening, but it certainly was very supportive and encouraging us as MLAs to just take it easy, everything was under control.

Couple that with the fact that trading was continuing and there were people who were continuing to believe that this was a sound investment, and because of its linkage to government, any government, people often mistakenly had confidence or mistaken understandings about the stability of the situation. In fact, I have a letter on record of one family that during that period invested a significant amount of money and, of course, the moment they signed the documents it would have been devalued by about 60 percent.

Sometimes that happens when you lend money to a university student or something, within your family, but you do not expect your RRSPs to go up in smoke like that. I would wonder what the minister undertook to do at that time in order to protect the public.

**Mr. Rondeau:** The first important part about any investment is that people should be aware of investments. Under The Securities Act under the appropriate disclosures, if you read the prospectus, and it is interesting because the prospectus has about three disclosures in it where it says, and I quote: None of the securities administrators or any other department or agency of the government has assessed the merits of an investment in the fund. The securities administrators and the government make no recommendation concerning such an investment and assume no liability or obligation to any investor of the fund.

That is right at the beginning of the fund, and it is interesting that the underwriter, Wellington West, signed the following declaration: To the best of our knowledge, information and belief, the financial statements of the Crocus Investment Fund and the auditor report therein was accurate.

So, when you are looking at those two things, when you say that the fund was linked to government, well, no. What it is, it is a private investment fund that got a tax credit for public policy objectives. We provided the 15 percent so that public policy objectives were followed, which was the pacing, the investment into Manitoba businesses and companies, and into small loans to Manitoba companies.

So we ensured that those things happened, and I think the Auditor General was very specific when he said there was confusion in 1992 when there was role confusion, meeting-[*interjection*]

**The Acting Chairperson (Mr. Jha):** Kindly address the chair.

#### Point of Order

**Mr. Cummings:** Mr. Acting Chair, point of order. I am not a sophisticated investor, but I did not ask the minister about the knowledge of the investors. I asked him about what he did, given that he had representation to the board and would have a responsibility when it was brought to his attention. That was my question.

**The Acting Chairperson (Mr. Jha):** Mr. Minister, on the same point of order.

\*(10:10)

**Mr. Rondeau:** Mr. Acting Chair, I was trying to answer the linkage of government and the responsibilities of information, as for the first question. I would be willing to answer the member's second question, gladly.

**The Acting Chairperson (Mr. Jha):** The honourable member, this is not a point of order.

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**The Acting Chairperson (Mr. Jha):** The honourable minister, please continue.

**Mr. Rondeau:** So, Mr. Acting Chairperson, what I am endeavouring to show is that the linkages to government, the public policy objectives, which is in The Crocus Investment Act, which were the investments to Manitoba business, the pacing at 70 percent, et cetera, although the Crocus Investment Fund was never offside, I understand from the Auditor General in hindsight, those objectives were being monitored.

There was role confusion from 1992 onward. So what we have said is we accept responsibility for the role confusion, and we believe that the advice of the Auditor General and the implementation team was very good, where they said we needed to have someone outside the Industry Department. So Industry would push and market and work with the funds, and Finance would have a more aggressive monitoring.

So that is what has happened in Bill 51. That is what we are again strengthening in Bill 37, so that we have confidence, that we have different people who have roles that make sense in moving this forward.

So, yes, in hindsight in 1992, it could have been done better. But, in hindsight, most investors would be billionaires if they knew what was going to happen 10 years from now.

**Mr. Cummings:** The fact is that the response to the Auditor General's report has a number of items in it that are supported by the affected industries and are generally supported on this side of the table.

The question was: What did the minister undertake to do from the time that he saw serious drops in values until the stop trade?

**Mr. Rondeau:** Well, there are two things. First, one of the prime roles of the underwriter or the person who issues the shares, i.e., Wellington West, was to make sure that the investment was appropriate to the investors. In fact, the Manitoba Securities Commission had been in correspondence, I understand, with Wellington West to make sure that the investment was appropriate. In other words, due diligence was done. So, for your point of order, Wellington West, the underwriter, should have done due diligence so that the investment was appropriate to the risk profile and investment strategy for the individual. So, if you have cases where people had not had the appropriate due diligence performed, that is an issue with their financial institution, the financial adviser and Wellington West.

As far as the drop in value, there was not a series of drops in values. On September 24, there was a drop in value and then what happened was there were no re-evaluations between then and the stop-trade order, I understand as the reason for the stop-trade order. So September 24, there was a devaluation, a considerable devaluation, which people have said that this is the new value of the fund, September 24. There was a stop-trading order later, and I understand part of the reason for the stop-trading order is no one could agree, the board could not agree, management could not agree, on the value of the shares.

I might remind the honourable member, the government does not have anything to do with the valuation of the shares. The government monitoring was because of the tax credit, because of the public policy objectives, which were the investment in Manitoba jobs and Manitoba companies.

**Mr. Cummings:** Well, the minister has consistently denied that government has any role or any responsibility to anyone during this period of time, but almost no one agrees with him. The fact is that

he had representation there, and that is considerably different than other private funds. It is fair to say that in a private organization, where the government does not have anything more than an oversight through Securities, that that is a different situation.

We have all heard the term "red flags" so many times that I almost hate to use it again, but it adequately describes what I am trying to get at.

My question is very simple: Did the minister undertake anything, or did he decide that the letter that came from the labour side of the community suggesting that everything was still okay—was that the position that he took? Or did he undertake any inquiries as to what might be going on over there? Let me put this in context. It strikes me that, where there is an organization that is attached in whatever way to a department and a minister's responsibility, everyone looks to that ministerial responsibility through our democratic process as being a very important aspect. My question is very simple and, I think, could be simple enough in the answer. What did the minister undertake to do?

**Mr. Rondeau:** Well, there are three parts to your question. The first part is about—

**The Acting Chairperson (Mr. Jha):** Excuse me, honourable member, please address through the Chair.

**Mr. Rondeau:** There are three parts to your question. The first part was the board representation. Again, I would like to reiterate that Bernard Wilson, the chair of corporate responsibility in Canada, he is the chair of the board of the association that has the boards, has stated on the record that it would have been inappropriate for the board members that were appointed for public policy reasons to the board, it would have been inappropriate for them to report the inner workings of the board or the fund to me as a minister or to government. They were there as public representatives, representing the public.

It was interesting to note that the AG confirmed that Crocus actually had a workshop with the new board members to make sure that they knew their responsibilities. That they knew that their responsibilities were to the public in general, not to the government or to the minister, in this regard. It was interesting. They had a workshop. Not only did they have a workshop, but they dealt with this on a regular basis when people were accepted to the board.

I might remind the member we had long-term civil servants, well, civil servants that had served both governments, in most cases, on the board. In fact, one of the civil servants that we had appointed to the board was on the Conservative transition team. So these are long-term civil servants.

The other thing is on red flags, one of the quotes in the Auditor General's report said: That, if the red flags, taken together, if anyone had all the information taken together, it would have had a performance.

In hindsight, it would have been nice to have all the red flags in one desk in front of me at one time when I was minister, because then I could have taken action. But the most important part is The Crocus Investment Act, which is under the Minister of Industry, has it on where the valuation is not part of the act. All it says in the act is that the Crocus Investment Fund or the ENSIS investment fund has to have an evaluation system, appropriate evaluation system.

The stop trading was on the value of the fund, arguments on the value of the fund. It was not on the public policy objectives on where the money was invested. So the 15 percent was given as a tax credit so people would invest in Manitoba companies. That was happening. That was not disputed by the Auditor General. It was not disputed even now. The difficulty had to do with the value of the company write-down of losses, et cetera, and that is not the job of government. That was the job of the board in administration of the fund.

\*(10:20)

**Mr. Cummings:** Well, Mr. Acting Chairman, I am trying to give the minister some credit for being smart enough to have taken some signals that were available to him, some of which were in the newspaper, which, I assume, he was not too busy to see once in a while, and when he has staff, that he would have brought that to his attention, his political staff for sure.

The minister is not doing himself any good by dancing around the question. He would have had opportunity and would have had some reason to wonder what was going on over there. It is an absolute death now for a minister when he wonders about something and then asks no one, and I do not think this minister is that dumb.

Mr. Acting Chairperson, I want to have the minister explain to the public through this medium

what he undertook during that period of time and whether or not he can argue that having representation there did not oblige them to report to him about fluctuations and valuations. There were also outstanding concerns about pacing that had gone on over the years which government has always tried to keep track of and that has gone on for a number of years. So, the government had a unique relationship with Crocus and a unique responsibility, and throw in the word "fiduciary" if you want, I think the minister used to argue about what was a fiduciary responsibility and what is not.

My question is very simple. What did he undertake to do at that time?

**Mr. Rondeau:** I undertook to understand what the act said. I undertook to find out and get a briefing on the act, and the act is very specific as to the roles and responsibilities. So, when the Auditor General had a question about when The Crocus Investment Act was going to resist allowing the Auditor General to do an investigation when there was a stop trading order, I knew because I knew the act that I could make him an authorized person. So, when he had a disagreement with the Crocus Investment Fund as to whether he had access to the records and investigation ability into the whole fund, I knew I could make him an authorized person.

When the Minister of Finance (Mr. Selinger) and I were requested to provide the authority for an open and transparent investigation from the Auditor General, we responded not in days or weeks, but we immediately responded to make him an authorized person to let him have an unfettered investigation that was made public about what was going on in the Crocus Investment Fund.

I understood the public policy objectives of the act. I understood the pacing requirements of the act. In fact, I think part of the questioning I ever had was how you figured out the pacing and all this in the reports. I was told that, before 2001, there was no reporting on the public policy or pacing objectives. We instituted a report system. I also knew the act and I knew what requirements we had under the act. So, in those periods, I knew that the act said that Crocus had to have a legitimate valuation. I knew that there was an outside auditor that had to do an audit on the fund, and I knew where the government's roles and responsibilities were.

Now you may say that the government had fiduciary responsibility. That is totally inaccurate. What we had was we provided a tax credit. We

provided a tax credit so that people, the fund, would invest in Manitoba jobs and businesses. We had the obligation to do the pacing, make sure that the money was into Manitoba business and they had a system to do that. The valuations, it was very important to know, had no government signed off on the valuation of the fund. What happened was the board of directors, the administration did, and if inappropriate information was provided that has to do with the Manitoba Securities Commission, which is an independent quasi-judicial body, it has to do with the underwriter who is Wellington West, and it has to do with the auditor at Wellington West, the administration of the fund, the board of the fund, and not the government.

**Mr. Cummings:** So the conclusion the minister wants me to agree with is that he, upon realizing there could be some difficulties at Crocus, reviewed the act and decided what his responsibilities were. Did he not believe that there was information available to him given that the government had a representative on the board?

I remember very well in 1987 a cartoon about MPIC, as it was then known, of a car going over a cliff, spinning out of control, with MPIC written on the side of it as senior execs began to leave and ministers changed. I cannot quite think of a similar analogy to Crocus, but the fact is that you had a series of representatives that changed, and you had a number of board members that changed suddenly in the period just prior to this. Did that not give the minister any concern?

**Mr. Rondeau:** The important consideration in any minister's—or any portfolio is to act within the laws and within the powers that are given to you by the legislation. If you read the act before, designed in 1992, and, of course, the member knows the quotation where the Honourable Mr. Filmon stated no NDP government brought it in. It was a Conservative government that brought it in, and fundamentally what it was, there were some issues in hindsight.

Now I wish that we had caught it earlier and I wish we had known what was going to happen in the future, but what happened was there were some fundamental flaws where there was confusion as to whether rate of return or social policy objectives were the major part of the fund's objectives. There was some confusion, but it was not the role of the Minister of Industry or the Minister of Finance or government to run the fund. When we have made an

appointment, it was clear that the appointment was a long-term or a civil servant that was independent of political interference, and they were there to represent the public interest. They were not there to report to government.

It would have been inappropriate for them to report to government. It would have been inappropriate for them to tell me what was going on or any other minister what was going on in the boardroom. Hence, we must act within the law. The law talks about the public policy objectives, and if you read the law—if we had broken the law, then there would have been an issue. The law now has it where there is an independent—in Bill 37 we have it where there is an independent administrator that has the powers and duties and responsibilities to get the information and be more aggressive on monitoring from the Department of Finance. Now, in hindsight, it would have been great had that existed in 1993 and on. It might have prevented the issue. But what we have to do is understand what went on, make sure that we make the appropriate corrective actions, make sure we bring stability to the industry and make sure people have faith in the investments in the information they receive, and that is the appropriate course of action.

\*(10:30)

**Mr. Cummings:** Well, I think what the minister just said is important. People need to have faith in the investment. They need to have faith in the system, and it seems to me that the system is seriously broken down in more ways than one because the government was associated with this breakdown. The government was caught in a position where people were looking at something that nominally appeared on the outside to have the support of government.

I did not see anything in the answers the minister has given me so far that he did anything more than review the act. You know, it did not even say: Yikes, what is going on over there? Can somebody tell me?

They would think that if something is attached in a monitoring form to his department, where letters come out from the people on the Crocus side, notably the union representatives sending out letters to members of the Legislature telling us, just relax. What was the minister's reaction to that letter?

**Mr. Rondeau:** One of the interesting things is that even in the law case where it is talking about 1992 on, to when the cease-trading order happened, it was 7.5 years under the previous government, four years

under this government. So, when our government is defending government, it is defending it from the onset of the fund till the stop trading. So, when it says government is associated with the breakdown, no. What happens is that the fiduciary responsibility of the fund is with the board of directors, with the management, the prospectus which says that the securities administrators and the governments make no recommendation concerning such an investment and assume no liability or obligation to any investor of the fund.

Now under securities law, when anyone makes a financial transaction, two obligations happen. The company that is selling it must give their prospectus to the investor. That is part of the securities law. The other thing is the underwriter or the seller has to ensure that there is appropriate investment responsibility so that the investment suits the investor. So those are the two things that are under securities law, not under the Industry Department, but under Finance. So what happens is that the government does not associate with any investment. It has not, it cannot. In fact, under this government, previously there was actual advertisements that went out with pay stubs. That practice was stopped under this government because it was inappropriate, so we stopped that.

So we have to make sure that we do act within the law. We have to make sure that it is appropriate. Past practices that were not appropriate where people would get information on Crocus in their pay envelope when they were government employees, the practice stopped because that was not appropriate. So we stopped it and I think that was appropriate.

Whenever we get information, we make sure that we follow the law. We act within the act. That is why, again, when I knew that I had the power, when the Auditor requested and was being denied access to the Crocus Fund, and people are saying: Well, what did you do? Well, when the Auditor was being prevented, we made sure we had a letter there.

In fact, I find it interesting because we did not try to hide. The Minister of Finance (Mr. Selinger) and I facilitated the Auditor conducting the investigation. In fact, we have a letter on file thanking us for our prompt response to his request. This is a very positive thing. So, when it says, are we being open, we are being open. We facilitated the Auditor's investigation.

**Mr. Cummings:** Well, there is a difference between being polite and being on the ball. If you would have been on the ball, you would have called the Auditor in. That, I think, is an important difference.

The fact is I start to lose patience with the minister when he says he knew nothing and had absolutely nothing to do with what Crocus was investing in. What about your co-investments through MIOP? Would he explain that?

**Mr. Rondeau:** It is also important to note, Mr. Acting Chair, that as of 2001, we changed the act to allow the Auditor the ability to choose to go into Crocus. So, as of 2001, The Auditor General Act was changed to give him not only the ability, but the responsibility to follow the money whenever tax money or investments were made or money was provided to a third party. So we did make the change in 2001. So that gave the Auditor General the ability to go ahead.

As far as the co-investments, as I mentioned yesterday, the due diligence is done on each case. Let us say that there is a \$5 million project and five partners are each putting in \$1 million, I do not do their due diligence. I do the due diligence from the Department of Industry on behalf of the taxpayer, on behalf of the Crown. So my officials will do due diligence in order to see whether the investment is appropriate, to make sure that we have appropriate security. If we are going in with the Royal Bank, the Royal Bank does their own due diligence. If I go in with different credit unions, they do their own due diligence. So I do not represent all the investors, the five investors. I represent and I work for the one investor. Whether Crocus decides to go in or ENSIS or Royal Bank or Astra Credit Union, that is their decision based on their criteria and their own due diligence.

**Mr. Cummings:** Well, I suspect the banks do a pretty good job of their due diligence. But the minister can protest all he wants about not worrying about other people's due diligence, it seems to me a 15 percent tax credit is something to be interested in, which is an incentive to be part of the Crocus Investment.

With all of the breakdown that we have seen, the minister has still avoided the answer. Beyond checking the act, did he not inquire? As a matter of fact, did he not inquire with Mr. Kostyra about what he thought may be occurring at the fund? Mr. Kostyra is a former board member. As he said, he meets regularly with him. Did they not discuss the



possibility of issues occurring at the fund that he should be aware of and, perhaps, be aware of not only politically on behalf of the government but, more importantly, on behalf of the investors?

I think there are very serious questions about who took responsibility during the time that the fund was in a perilous situation. Was this a full-blown cover or was there actually a rescue that was possible at that time in order to save what was a valuable asset to the venture capital in this province?

**Mr. Rondeau:** Part of the 15 percent tax credit that the Province provides was to make sure that the money was invested in the province. There was a federal 15 percent tax credit that I am sure the member was aware of which, again, was to make sure that venture capital, which is higher risk, was invested in the province. So not only did investors get their RRSP credit, but they got an additional 15 percent credit from the Province and an additional 15 percent credit from the feds. So that was, I guess, partially, initially set up to account for the investment tax credit in a more risky asset class.

As far as Mr. Kostyra, between when I became minister and the stop-trading order, there was no discussion about the issue of Crocus in that period. As far as the government, the government does not take responsibility ever with how people invest their money. It does not tell people how to invest their money. So people invest their RRSPs, their savings, et cetera every day and the government does not monitor each of those investments, nor should it.

That is why when I say we have to follow the act, if I had have broken The Securities Act, if I had have asked the board members what was going on directly in Crocus and they provided me information directly on what was going on in the valuation, then there would have been an issue. Then I would have been up in front of the courts or the Manitoba Securities Commission. I think it is very, very important to know your rights, legal obligations and follow the act. That is what we did.

\*(10:40)

**Mr. Cummings:** Well, the minister has still avoided confronting the question that I asked a few minutes ago, which is, there were a number of changes that occurred in the people who were the government appointees to the board. For the record, and if the minister needs to consult with his department, would he put on the record who represented the government on the board during the tenure of this government?

He can go back further if it makes him feel better, but I know who was there before. So I am interested in who represented this government.

**Mr. Rondeau:** The people who were the government appointment on the board that were supposed to represent the public interest were Ron Waugh, who is a civil servant, and, by the way, did not make any political donations; John Clarkson, who is a long-term political civil servant who worked for both governments well and actually served on the Conservative transition team; and Hugh Eliasson, who again, was a long-term civil servant who has worked for both governments. In fact, I understand he was working in Government Services on the flood of the century and did a good job for both governments in that case. They were the appointments by this government to represent the public interest. The first three, Mr. Acting Chairperson, do not make political contributions and are civil servants.

The following four people, John Meldrum, Robert Swain, Charlie Curtis and Mike Bessey, were appointments under the Conservative term. If you take note, those people, you have political appointments, John Meldrum gave money to the Progressive Conservative Party while he was a board member of Crocus, \$1,500. You have Robert Swain, who donated \$3,300 to the PCs while he was a board member and during the nineties, and you have Mike Bessey. So we have long-term civil servants who are serving on the board to represent the political interest. That is comparable to previously where there were political appointees who donated and supported the Conservative Party.

So I think our record of having non-partisan, non-political people to represent the community interest was a good record. Whereas, previously you have very partisan people who are connected directly to the Premier's Office. I think we have had a good record of people who have long-term service to the people of Manitoba, who are non-political, and I think that is appropriate.

The other thing that I would like to reiterate, both Bernard Wilson and the auditor have confirmed that members on the Crocus board, at least in the last few years, had undertaken to go to a workshop talking about their roles and responsibilities, who their obligation was to, and they understood their obligation.

I also knew that it was inappropriate for me to talk about what went on at the board because if I was

to ask the board members what was going on in Crocus as far as the valuation, as far as the difficulties, that would have been breaking their responsibility as a board member. I knew that because I read the act; I knew the financial implications.

**Mr. Cummings:** The minister has spent all morning saying that he had no responsibility to know or to take any action regarding valuation or future difficulties that he saw or might have wondered about at Crocus. Did he ever discuss investment priorities?

**Mr. Rondeau:** Mr. Minister, you are right as far as the valuations. It is very clear that the government did not have a role in setting or approving the valuations. That is more Wellington West, the auditor and the board and management of the Fund. As far as co-investments: No, I did not talk to any board member about co-investments with the Crocus Fund and government because that would have been inappropriate, and I did not do that.

**Mr. Cummings:** Well, that is interesting because his predecessor signed an agreement to create a superfund which many people believe was designed to provide Crocus with an opportunity to manage some significant sums of money. Was the minister involved in any discussion where a large amount of money, whether it eventually became a superfund or whether it became available through other means, in which large sums of pension fund money would have been made available for Crocus administration and investment?

You know, you can make all the arguments that the public would want to consume about the need to keep venture capital at home. We have heard this minister and others talk about what is a million or two here and there in these very large funds, but what is really at issue here is what the minister knew, how much and when, and when did they take any action to protect the public interest. Was he aware of any initiative to get large sums of pension money available for Crocus management?

**Mr. Rondeau:** I think it is very, very important that the letter the member references said that there was investigation on whether they were going to create a superfund, and it never mentioned Crocus's name, and it never mentioned that it would be managed by Crocus, et cetera. So it is interesting how you are trying to draw a linkage.

The concept of a superfund was established in the nineties, and lots of people lots of times have said we should be getting more venture capital here, we should be using the tools to create venture capital here. In fact, the former premier, Gary Filmon, had an advisory council of business people, and what their council said was we should create better pools of capital to invest in Manitoba. That was the discussion in the nineties. That has been a discussion recently. In fact, when I meet with Chambers of Commerce and different businesspeople, usually the idea of creating pools of capital comes up, and it is a suggestion on a regular basis.

What is interesting is it was the suggestion in the nineties. It has been a suggestion in the year 2000. I think that in the second-last meeting with the Chamber of Commerce, they brought up venture capital again. The idea of creating some greater pool of venture capital has been in this province for years, under both governments. The important part is, the letter from my predecessor did not mention Crocus managing it. It talked about investigating. It did not talk about creation of a fund. It started talking about let us explore whether it is possible. This discussion about whether it is possible has been going on for years. The important part is nothing happened; the government did not move on the superfund. The government did not move on any of the recommendations.

So, even though there was pressure on the government from different business organizations, from the Chamber of Commerce, from different groups, from the Primer's Economic Advisory Council, a lot of groups have said to many governments that we need more venture capital and more capital in this province, we did not follow the recommendation to create a superfund and we did not put Crocus in charge of any superfund.

\*(10:50)

In fact, the only collection of money that was ever directed to Crocus was done in 1995 under a Mr. Merv Tweed, who was the Minister of Industry at the time under the Conservative government, who created the Science and Technology Fund, who put Crocus in charge. Actually, it was interesting to note that Mr. Tweed commented positively on Mr. James Umlah's ability and management experience and abilities when they put him in charge in 1999, when the Conservative government was in charge.

The only combination of funds that were combined and had Crocus as the manager, or Mr.

Umlah as the manager, was done under the Conservative government in 1999 where they trumpeted the Science and Technology Fund and the management and abilities of Mr. Umlah. This government did not create a superfund; this government did not put Crocus in charge of any large pools of pension money. So I look again at our record which was not moving forward. I look at the record of the former government where they put Mr. Umlah and his abilities and expertise in charge of a pool of funds. We did not do that, Mr. Acting Chair.

**Mr. Cummings:** Mr. Acting Chair, the letter of understanding in January '04 seems to be very specific about establishing a special fund utilizing significant portions of the employers' pension payments for superfund purposes and the signatures are Scott Smith and Peter Olfert. Now that died an untimely death sometime between January 27 and the end of February of that year, in '04.

Right about that time, of course, I think the signals would have been fairly clear that there were possible pacing problems in the future over at Crocus. So I do not think we need to spend too much time debating whether or not there was a linkage. The fact, on February 2, Mr. Olfert was so confident about this that they put out information about key issues from campaigns, creation of equity fund with the provincial government. The employees' union and provincial government currently discussed the creation of an equity fund moving towards joint trusteeship, said President Olfert, which means the pension plan will be jointly administered by employees and management. As part of this process we have begun exploring the potential of an equity fund that would invest in local initiatives. It all sounds pretty good. If established, Mr. Olfert said, the fund will be a win-win, an excellent opportunity to share employees getting good secure returns while boosting investment and creating jobs here in Manitoba.

So I do not think the minister can suggest that I am drawing too long a bow when I ask if he was ever involved in the discussion, and by the way, he did not answer the question. So I will ask it again: Were you involved in any discussion around that initiative?

**Mr. Rondeau:** I think it is very important to note that the Auditor General confirmed that the Crocus Fund was not having any pacing problems or did not hit where it was offside on pacing. So that was interesting because you can always talk about possible issues in the future, but the interesting part

was that the pacing issue, the public policy objectives, was reported on in two governments, starting in 2001, not prior to. That issue, the public policy objectives where people were making investments in Manitoba and getting a tax credit of 15 percent additional tax credit because of their investments, that was not offside.

Now, as far as the investment or creation of a superfund or a cooling of investments or whatever, again have I been in discussions? I have been in discussions with multiple groups, talking about the creation of funds, pools of equity, pools of groups of monies, pools of pension funds to the benefit of Manitoba. The Chamber of Commerce talked to me about it, different groups have talked about it and, as I remind the member, this was discussed from the nineties on. This is not a surprise. I have actually seen multiple papers talking about the lack of capital, lack of venture capital in Canada. We have got them from multiple sources where they are talking about, we need to have pools of capital to expand our businesses better and create venture capital for new business, et cetera. I make no pretence that I have not heard this from the Chamber of Commerce, from multiple sources. So, have I been lobbied to create these things? Absolutely, and I make no pretence of it. In fact, the Premier's Economic Advisory Council under this government has also lobbied or discussed the need for more capital, more venture capital. That is not a secret.

They did the same thing. The same business leaders, the same community leaders went to Mr. Filmon, our previous Premier, and asked to have more equity and value created. So they wanted to have more superfunds. I reiterate, even though we have had lots of discussions about this, that, in fact, there were discussions about the investigation of a creation of pools of capital, and I said investigations of pools of capital, nothing was done to do that. So, under the previous government in 1999, there was a case where the Science and Technology Fund, a pool of capital was created where groups invested and put Mr. Umlah from Crocus involved. Again, in 1999, there was a pool of capital created, and Mr. Umlah was put in charge by Mr. Merv Tweed, the Conservative Minister of Industry.

We did not do it. There were discussions, and I do not discount the fact that there were discussions. There have been discussions for the last 16 years at least on creations of equity pool capital money to grow the economy, and I would assume that, even before 16 years ago, there were discussions about

venture capital and equity because that is one of the tools that business used to grow. Business always wanted more equity, more capital, more venture capital. It is more available in the States than it is in Canada, and it would be great to solve it. But we did not create a superfund. We did not put Crocus in charge of any funds, the difference between us and the previous government.

**Mr. Cummings:** Well, the Auditor observed that the Crocus investment staff was used to study the superfund concept, but he was unable to quantify what the associated costs of having them do that was. But it became apparent that it was being conceptualized. The target fund of about \$250 million was \$75 million from the employer portion of the Civil Service Superannuation Fund, \$20 million to \$30 million from small pension funds and Crown corporations including WCB, MPI, the university pension plans, building trades, et cetera, and \$125 million from the employee portion of the Civil Service Superannuation Fund, the Teachers' Retirement Allowances Fund, and the civic employees' pension fund.

Those are pretty specific discussions that occurred before this minister was in his current portfolio, so he may be unaware of them at the time, but I am sure he became aware of it when he saw the Auditor's report. So this constitutes blowing smoke in my ear, and I am a little concerned about the fact that the minister keeps denying that he was in the position of knowledge about a number of questions that I have asked him about.

I want to discuss for a sec his reference earlier to those who were representing the government on the board of Crocus. There is something that has come to my attention that is troubling, and that is I have a significant amount of respect for the names of the gentlemen who were listed, and I want that very clear for the record.

\* (11:00)

But something that has come to my attention is that when people left that board, the management of Crocus had a habit of insisting that they leave all their records behind. Is the minister aware of that practice?

**Mr. Rondeau:** In response, Mr. Acting Chairperson, to the first part, I think it is very important that the member opposite and all members understand that, although people come up with lots of concepts and lots of discussion papers and lots of issues, and these

are done on a regular basis, we are lobbied for a lot of things. So Crocus may have developed a concept for a superfund. The board or management may have discussed it, moved it forward, but we did not move forward on it.

So, in other words, we did not put millions of dollars of pension money into Crocus. We did not do that. We did not move forward on the superfund. We did not move forward on the concept of bringing everyone's pension money together. So, although Crocus or other groups may come up with these concepts on a regular basis, I presume, to our government and the previous government, we did not move forward with it.

I think that is the critical concept, that the superfund may have been presented. The crucial fact is we did not move forward on it. We did not work as a partner with Crocus or any other group to create a superfund, and so that becomes interesting and important to point out. The creation of any superfund or any discussion like that did not move forward.

I would like to point out to the member opposite, when you look at the TRAF report that we were presented and the different reports from the Superannuation Board, et cetera, I would point out that most of these funds have done better than average. In other words, when you look at the benchmarks from the funds, TRAF has done very well, different parts of the funds have done extremely well and they have broken benchmarks. That becomes important when you are talking about the concept of the superfund, Mr. Acting Chairperson.

**Mr. Cummings:** Is the minister prepared to answer the second part of the question then?

**Mr. Rondeau:** Which part of that did you want, Mr. Acting Chairperson?

**Mr. Cummings:** As unfamiliar as I am with practices in corporations of this nature, I am led to believe that generally speaking, when directors leave their positions, they are not normally required to return every bit of material that they may have accumulated during their tenure. I understand that Crocus had a bit of a burnt or scorched-earth policy where, at least in some cases that I am aware of, they may have asked for all information back before any departing members of the board left. Does the minister think that is appropriate management?

**Mr. Rondeau:** Two points there, Mr. Acting Chairperson. First, the minister was not responsible

for running the fund or managing the fund or directing policies of the fund. The fund was independent of government and of the minister. In other words, the operations of the fund, the policies, the procedures, the investments did not tie directly to the Minister of Industry. They were the responsibility of the board and administration and that is very, very clear. In fact, the management of the fund had to do with the management board. It did not have to do with the minister.

As far as the information, the Auditor General had full access to all Crocus documents. He was given that right when we stated that he was, in my case, an official agent of the minister, and so what we did was we made sure that the Auditor General had full access to all records. Often, when people are saying, do we have something to hide or do we have anything to be worried about, I think that it is very important to note that the Minister of Finance (Mr. Selinger) and I, as Minister of Industry, allowed and encouraged and made sure that the Auditor General had not only the ability to go in with the full access, right away, when he requested the ability to go in. It could have been delayed through fighting in the courts between Crocus and the Auditor General. We made sure that the Auditor General was an authorized person in very, very quick action, and we presented that letter to Crocus to make sure that the Auditor General had the ability to go into the fund, get all documentation, all information from the fund. So we made sure that he had full access. Not only when I looked at the act did I know what we had as ability to make him an authorized person so that there would not be a delay in him having access, there would not be months or years delay in the courts, we made sure he had access right then.

As far as the operations, no, I did not control the operations. I was not aware of the daily procedures of the Crocus Fund because I was not the management of the Crocus Fund.

**Mr. Cummings:** Mr. Chairman, the accusations are that the fund began to run amuck with people's money in terms of how it was handled. Of course, some of that the Auditor General brought to light. I am very interested to know what this government knew and whether or not it acted appropriately when it did know.

This minister has been able to avoid answering a myriad of questions, but my information here shows that he has already made, this morning, a number of mistaken comments. I would just like to call to his

attention earlier he pointed out that Crocus never had any problems with its pacing. It had problems with pacing according to my information between '02 and '04. He was not the minister then, which is part of the frustrating part about this process that we are in right now.

I suspect that he can easily not answer that question, but I think, for the record, he should not be saying either that Crocus had not had problems. He should quantify that by saying problems that he was aware of perhaps. He did not answer my question about whether or not he took any thought about the fact that there were a number of people who left and I think on their own volition stepped down as representatives of the government administration. Did anybody do any kind of an exit interview with them?

There must have been some information that was left regarding their opinions about what was occurring or to justify why they left. The first question is, when you have highly qualified and competent people who withdraw from responsibilities normally they would quite likely enjoy carrying out, someone, I think, would at least ask how they found that responsibility and whether or not they had difficulty or concerns about fulfilling that responsibility. Does the minister have any thoughts he is willing to share on that?

\*(11:10)

**Mr. Rondeau:** Mr. Chair, I think it is important to note that a lot of the losses, the original write-down in September was due to investments like in Westsun. With Westsun, Crocus lost \$21 million. If you take note of when the investment was made, it was not made here under this government. It was made under the previous government. If you look at Winnport Logistics, Crocus lost \$6.7 million. If you look at when that was made, it was not made under this government. If you look at the Westsun, Winnport or Isobord, which was the other big loser, if you talk about it, when you look at it, it is \$40 million worth of losses. If you look at when the investments were made, those investments were begun, were started before our government took charge.

The other important thing is that when the member says you were offside in pacing, I do not think there was anything in the Auditor General's report, or any reports, that said that Crocus was actually offside in their public policy objectives. So that becomes really important. The facts are Crocus,

as was confirmed by the Auditor General, was not offside in pacing.

The other thing is if you look at the exit interviews, the members of the board, the long—

**The Acting Chairperson (Mr. Jha):** Order, please.

**Mr. Rondeau:** The civil servants that were on the board under our government, not political appointees, but civil servants that have served both governments, it would have been inappropriate for me to ask, or any minister to ask, the actual goings-on of the board. So, if I had gotten a report about what happened in board meetings on investments or anything else like that then I would have been acting inappropriately. We appointed the board members to represent the public, not the government. There was no way that the board members could go to a board meeting and report back to the minister or any minister, including myself. If they had gone to the board meeting, come back and said what was going on in the board, that would have been inappropriate. And that was determined by Bernard Wilson and by other management experts that said that they understood that the board members' responsibility was to the public and not to the government or the minister.

So, no, we did not ask the board members what occurred at the end of their tenure on the board. It was interesting to note that if the member opposite, when he was Cabinet, got actual reports from the board member, and so, if the board members of the Crocus Fund actually went to the former minister, Mr. Merv Tweed, and talked about investments and talked about how Crocus was run and the board was run, that would have been inappropriate, and so it is interesting to see the inference that the member makes.

Again, the losses of Westsun, Winnport, Isobord; that is \$40 million of the losses right there in three investments that were made, starting with the previous government. So I think that was important. The fact that the Auditor General confirmed that the Crocus Fund was not offside in the public policy objectives, which was the pacing, which was the investment in Manitoba. That was important to note. And the exit interviews, I reiterate, it would have been inappropriate for the members, the civil servants, to report to me what was going on in the board, and that was confirmed. They were there to reflect and represent the public interest.

So those are the three things. I hope the member understands the corrections there, and it is important that the minister would not have interfered with the board operations of Crocus.

**Mr. Cummings:** Well, I am a reasonably patient individual, but the minister is starting to get under my skin, because everything that he just said is crap. In 2001, there was an internal document, I am led to believe—

**The Acting Chairperson (Mr. Jha):** Order, please.

**Mr. Cummings:** Mr. Chairman, I take back the word "crap."

**The Acting Chairperson (Mr. Jha):** That "crap" word should be—

**Mr. Cummings:** I have a better word for it that would be even more objectionable. The fact is that he is misleading this committee.

There was an internal document, I am led to believe, in 2001 that talked about Crocus Fund's growing liquidity problems and pacing issues. Was he aware of that?

**Mr. Rondeau:** I understand that there were discussions between government and the Crocus Fund about liquidity and pacing, and the interesting part about that is Crocus said that, although they wanted a legislative change, there were other options, and that they could deal with the liquidity and pacing.

It is interesting to note that they had said that they would deal with the liquidity and pacing and the Auditor General confirmed that they were not offside on liquidity or pacing.

**Mr. Cummings:** Well, that is an answer. I asked him if that information was available in the department. Can we assume it would have been made available to the minister?

**Mr. Rondeau:** The liquidity and pacing documents were not available prior to 2001 because there were no reports prior to 2001. So let us talk about the government's responsibility. Prior to 2001 there were no reports on liquidity and pacing provided to government. So under the Tory tenure, the Conservative government tenure, there were no reports on liquidity and pacing. In other words, the public policy objectives of pacing into the economy of Manitoba, I believe, the reason for the 15 percent was to create the equity into Manitoba companies. Well, prior to 2001 there was no reporting of this.

In 2001, when we made changes to the act, there was reporting on how much money was invested into the Manitoba economy from the Crocus Investment Fund, the reasons for the 15 percent tax credit. So what happened was, after 2001 there was a report on the pacing and the liquidity and, as the Auditor General confirmed, there was no time that the liquidity or pacing was offside.

**Mr. Cummings:** Well, as I have said, the frustrating part about this is that the Premier (Mr. Doer) has deliberately, by changing ministers, buried the opportunity for first-hand questioning of those who might have known about this report and had comments. But the minister has gone on and on about the lack of information and availability of information and how he and his fellow colleagues would have been unaware of what was going on. I think we can assume that the minister would have been involved.

I would also ask, knowing that this minister was not in fact there, but he was part of Cabinet where very often legislative amendments are reviewed or the policy directions are considered, that the IEDM representatives from the Crocus Fund would have expressed concern that the long-term investment plans were not specific and were vague. Were there a report of this nature where the references to growing problems with liquidity and pacing, would the department not have had a responsibility and the minister had knowledge of a report of that nature?

**Mr. Rondeau:** I think it is very important to note that when you talk about information provided to government or provided to the public, government did not sign off on the information. The auditors were responsible to look to make sure that accurate information is provided in generally accepted accounting procedures, so following GAAP. It is not the government's job to make sure; it is the fund's auditor, a third-party organization, that goes in and attests to the accuracy and how the information is provided. If you look at the information as provided to government or provided to the public in the prospectus, it is signed off by Wellington West and it is also signed off by the fund's auditor, not the government.

So the information that is provided is provided to the auditor from the management of the fund. It is signed off by the auditor, not the government, and it is signed off and provided in the prospectus by Wellington West. It is important to note that the government does not provide the information to the

public. We read the audited statements. We read the information and we get the prospectus.

\* (11:20)

As far as the investment plans, I think what we have to look at is the role of government. In 1992, there was some confusion as to why investments were made, whether it was to do public policy objectives, whether it was to create a greater economy to create jobs, et cetera. So I think in Bill 51 it was very important to note, what we did was clarify in legislation that the objective of the act was to create a return on investment. So it could not be investments for the sake of investment that would lose money. It was to get a return on equity. So that was a very important change in Bill 51 that was recommended and that we moved on.

We agree that it is important to have accurate information. I think what we have done in Bill 37 is further enhanced the previous act. So what we did was we made sure that the business plans were presented to the public, so the business plans to the public. I think it is very, very important, the business plans to the public; also, more disclosure.

I think it is also important to look at our present bill. In Bill 51, we made sure that 50 percent of the board was comprised of Class A shareholders, the investors. Now, in Bill 37, what we have done is we have looked at it and said, okay, we want to make sure that the majority of investors have representation on the board and that they are represented on all the statutory committees so that we have better representation of the Class A shareholders, who are the investors.

Again, maybe there might have been a change in 1992 if the majority of the board was not of the labour sponsor but actually of the investors. Maybe there would have been a change, but that is in hindsight. What we can do is move forward to make sure that there is better representation of Class A shareholders, better representation on the board.

**Mr. Cummings:** Well, the minister likes to reference hindsight. It is fairly well documented that the minister early on in this administration, Ms. Mihychuk, was prepared to make amendments and that the Auditor has specifically pointed out that there were a number of efforts made to adjust legislation regarding, I believe, mainly pacing and requirements around that or regulatory control that would oversee that. That seems to be confirmed.

So my question is still valid. There was an internal analysis that was prepared during that time. I just referenced it to the minister about the fact that there were concerns that the Auditor uncovered that were raised then. As a member of Cabinet, and I do not expect to know what happened during debate, but was he aware as part of the Economic Development Committee of Cabinet of issues that were being raised that would have led to the changing of legislation? A simple answer, yes or no, is all I need on this.

**Mr. Rondeau:** There was no legislation change, Mr. Acting Chair, except in 2001, where we put in the act that went in and that changed things that are public. So in 2001, Ms. Mihychuk presented legislation to the House that was passed, and then Bill 51 was passed.

There are always discussions of lots of things that may or may not go forward, but what is important to note is that in 2001 legislation and changes happened which required reporting, which changed a number of things which is public record, and Bill 51, there was another act that went forward. I actually brought Bill 51 forward, and what it did was it made changes. It made changes in the board. It made changes in reporting. It made changes in the basic premise that they had to have a return on investment. Those changes were made in Bill 51.

In Bill 37, after the Crocus implementation team's report, which I presented, I believe, on December 8 to the public, which said these are the changes we need to further improve the governance and disclosure and representation. Those changes happened through the Crocus implementation team. They were made public on December 8, and now we have Bill 37 that is responding to all those issues.

I think what we are trying to do is, again in hindsight, in 1992 there were some errors in the act. We are trying to correct those errors. In 2001, there were some changes. In Bill 51 there were additional changes. Now in Bill 37, again, we are trying to lead the country in good corporate governance and in support for the labour-sponsored venture capital act. We hope that we can move forward so that we have additional venture capital, and we hope that there is increased confidence in the market.

**Mr. Cummings:** Well, the minister keeps referencing advice about good corporate governance. It would be more important that he take advice about good government, period. Where government has some responsibility, they have an obligation to

exercise it and be held accountable for it, and that is what I am talking about in relationship to this report that is referenced that came forward in '01 expressing concerns about the views of Crocus. It was an internal report, but interested to know if the minister has ever considered tabling that report in order to clear the good record of a number of people who probably tried to warn government of issues that were arising.

**Mr. Rondeau:** I do not know what report the member is referring to. If you are referring to the e-mail from one finance official to an official in the Department of Industry, I think the Auditor General has been very specific that that did not go to a minister.

There has always been, since I have been minister and I assume prior to that when the member opposite was a minister in the Cabinet, there are always recommendations for legislative change. There are always people who are asking every meeting, or most meetings that I go to, people are asking for legislative change or assistance or this or that. That is what happens. So, when the Chamber of Commerce comes in, or when the Winnipeg Chamber of Commerce comes in, or the manufacturers' association, the oil and gas industry or the mining industry, a lot of people come in and ask for legislative or financial changes. I would be shocked if the member opposite thought that groups and organizations did not regularly ask for legislative changes or movement on issues.

In fact, I regularly meet with groups to hear what they want to say about where government does need to change and move forward. So I do meet with them, I do listen to them, and I am pleased that we have made lots of changes in many areas. We have made changes in manufacturing, huge changes. We have made changes in the small-business tax rate from 9 percent in 1998 down to 3 percent when the budget passes. We have made changes in the refundability of the provincial sales tax on manufacturing. We have made changes in all sorts of things. So in the economy we make changes and people make recommendations. What is important to hear is government hears recommendations and government can choose to act or not act.

\* (11:30)

I am pleased that we acted in a number of areas. We did not choose to change the pacing requirements in the Crocus act, so there were changes in 2001. There were requests for superfunds,



there were requests for pacing changes, there were requests for legislative changes. The legislative changes happened in 2001, which is public, and changes happened in Bill 51, which is public. Changes have happened now, or changes are going to hopefully happen in Bill 37, which are public.

So there are lots of requests for changes. There is lots of discussion on a regular basis on lots of options, and it is important to see what we have done and not done. What we have done in 2001 is made changes. Again, I made changes in Bill 51 which were supported, and we are hopeful to make changes to bringing further confidence and further disclosure and better governance in Bill 37.

**Mr. Cummings:** Mr. Acting Chairperson, I had suggested earlier that we would, in order to make life a little easier for some of the departmental staff, spend some time today on the Mines section. So I want to get there as soon as I can, but I have one question that I hope the minister would help shed a little light on.

He just mentioned, in fact, a moment ago, about the infamous e-mails. What would be the problem with tabling that material and, as I say, help clear the air about what is the apparent mystery around how no one in an elected responsible position is prepared to say that they had any knowledge of the direction that Crocus was moving in?

**Mr. Rondeau:** I think it has been clarified very well in the Auditor General's report that the e-mail was between one official in Finance and one official in Industry that said that a review of Crocus may be in order. But it is also very, very clear that the Auditor General had full access to all the documents, and I repeat, full access to any of the documents that he wanted. It is also important to note that that the Auditor General confirmed that that did not go to either minister. It did not go to the Minister of Finance (Mr. Selinger). It did not go to the Minister of Industry or any minister. So those are important things.

I think it is also very, very important that we follow the law, and the law under The Freedom of Information Act, as was explained by the Minister of Finance and has been discussed fully, is you do not want to compromise the discussion of civil servants. So, under The Freedom of Information Act, you want free, open discussion between civil servants. That has happened under all governments, under the previous government and our government. We do not want to compromise open discussions between

civil servants. So that is what happened. It would have been inappropriate from Freedom of Information that this discussion is open and public. So we have followed The Freedom of Information Act and we have not made it public.

However, the Auditor General had full access to all this information. He has said what the e-mail between one civil servant and another civil servant was. He has confirmed that it did not go to ministers, and he basically confirmed that the e-mail said that there should be a review of Crocus, should be legislative changes.

**Mr. Cummings:** Well, this falls into the category of tabling your phone calls. People joke from time to time about the inability to trace information, and I think the minister has just helped me make a very good case why the only way we are going to really understand what happened is through an inquiry. Obviously, we have been batting our noses bloody trying to convince the government that that is what should happen, and I do not expect any different answer from the minister at this time.

In deference to the pain and anguish that we have caused people around this table, let us take a look at Mines for a few minutes.

**Mr. Rondeau:** In response to the inquiry, I think it was interesting to note that we did facilitate the Auditor General's inquiry by making him an authorized person, and that was very, very important. So that is one inquiry that has gone on. He did an investigation, and he made a 245-page report which is public, that people can get and can read.

*Mr. Jim Maloway, Acting Chairperson, in the Chair*

There is also an RCMP investigation ongoing right now that is important, that we are not going to interfere with. There is also a Canada Customs and Revenue investigation going on right now. There is a Manitoba Securities Commission investigation and proceedings going on now. So there are public disclosures, appropriate experts investigating in their appropriate areas of jurisdiction.

So, when the member says are we going to get the facts, I have faith in the Auditor General's report. That is why we authorized him to go into Crocus and, in fact, facilitated that, both myself and the Minister of Finance (Mr. Selinger). I have faith in the RCMP to get to the bottom of it. I have faith in Canada Customs and Revenue. I have faith in the Manitoba Securities Commission. You know, one has to allow the appropriate agencies and

organizations to do their job. I think that the Auditor General's report has uncovered a lot of information, has made recommendations that we have moved on.

So, when the member opposite says that we need inquiries, I agree that we have had inquiries. We needed to have the RCMP, the Auditor General, Canada Customs, Manitoba Securities Commission undergo investigations in their sphere of influence to make sure that things that they are expert in are uncovered and moved forward on. In fact, I was pleased that both myself and the Minister of Finance, without discussion, moved forward on facilitating the Auditor General's report rather than having it delayed for months or years in the courts. I think that was very positive that we did not hide anything. We made him a full authorized person in very quick order. I think it was good that we actually facilitated the Auditor General's public investigation and report.

**Mr. Cummings:** Let us move to Mineral Resources. I understand that the people who know a lot more about rocks than I do, and minerals and gas and oil, are now present, and I ask the minister if he would introduce them.

**Mr. Rondeau:** John Fox is the Acting Assistant Deputy Minister of Mineral Resources, and Ric Syme, who is the Director of the Geologic Survey.

**Mr. Cummings:** I can appreciate that they have responsibility of what is now a pretty busy area, I am assuming. This might, in fact, demonstrate my naivety in this area, but what is the increase in activity that we have seen on a basis of number of wells, number of dollars invested, however way you wish to categorize it in terms of the oil industry over the last year? What are we seeing there in terms of growth?

\* (11:40)

**Mr. Rondeau:** Mr. Chair, we have to state that the oil activity has really expanded since the discovery of the Sinclair field in 2004. To date, 280 wells have been drilled in Sinclair, representing an investment of over \$100 million. The department anticipates more than 300 wells will be drilled in 2006 and that the industry will spend about \$200 million in production, will exceed the 1969 record of 17,000 barrels. We will be doing well. The seismic activity has tripled from 2004, with \$21.7 million spent.

*Mr. Bidhu Jha, Acting Chairperson, in the Chair*

As far as 2005, there were 285 wells drilled, and we are well on the record on the pace to beat that, I

understand; 384 drilling licences were issued. The average production is 13,000 barrels per day, which is up 18 percent. The value of the 2005 production is about \$300 million, which is up 91 percent, not a bad increase. The oil industry expenditures were around \$190 million, which was up 90 percent. The provincial revenues from oil and gas leases, Crown royalties and production taxes were \$13.6 million, up 113 percent, which includes record revenue from oil and gas leases sales which were \$6.13 million.

#### Point of Order

**The Acting Chairperson (Mr. Jha):** The honourable Member for Ste. Rose, a point of order?

**Mr. Cummings:** Yes. Just as a matter of making sure I do not get my facts mixed up, if the minister would either repeat the numbers that he was giving on the breakdown between the oil and gas and those volumes or if he can table that information with me. I guess I will get it out of Hansard, but we want to make sure that it is recorded appropriately.

**The Acting Chairperson (Mr. Jha):** The minister, on the same point of order.

**Mr. Rondeau:** I can provide you that information Monday or Tuesday in written form, that I just gave you.

**The Acting Chairperson (Mr. Jha):** Honourable members, please kindly address through the Chair.

**Mr. Cummings:** Specifically the tax revenue, I do not think that would be, I mean, you can roughly calculate it, but the revenues from increased oil and gas production in the province. Would it be appropriate to ask that information?

**The Acting Chairperson (Mr. Jha):** This was not a point of order. Let us go back to the questions and answers.

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**Mr. Rondeau:** I would be able to provide it to you. I understand from the staff that the numbers are finalized, so those statistics, including the tax revenue, I will give you Monday or Tuesday.

So, Mr. Acting Chair, the industry has done extremely well. I am very pleased with the numbers that we have done as far as the production, as far as what is happening out in Sinclair.

The other thing that I would like to inform the member is that the government of Manitoba may have the oil and gas rights in certain areas, but the

interesting part is that in Sinclair, because of historical circumstances, a lot of the people who own the land rights also own the oil and gas rights. So the economic benefits of the area around Sinclair have done extremely well because what has happened is that the property owners who also own the mineral rights get the royalties for the oil and gas. So it has been a very, very interesting thing.

When I went out there to Virden to attend a film about the oil industry in Manitoba, it was interesting to talk to a number of the people who have gone from very tough economic times to very good economic times. It was interesting to note one lady came up to me with a copy of the cheque she received for royalty, and she sort of said, see, and then she was very, very excited about the change of financial situation in a very short time. It was very, very heartwarming to see how she was suffering drastically and now has reaped a windfall.

Oh, I might add, Mr. Acting Chair, I was just informed the R.M. of Pipestone also has a number of mineral rights and has also been very financially fortunate in the last little while. Those are good conditions, because the area was suffering because of some agricultural issues. So, economically, there were some issues in the area. So good news and good economic news for the region and individuals were very positive.

**Mr. Cummings:** Well, the minister and his colleagues have been quite critical of the privatization of MTS. I take it he might have a different view of the private activities in the oil and gas industry?

**Mr. Rondeau:** I think it has been very, very positive to work in co-operation with businesses. I think that one of the positive parts of our government is we are not one-sided. We work with businesses, we work with education, labour, general interest groups to listen and come up with policy objectives and win-win situations. So an example of the oil and gas is that it is very good for business. It has been very good for people, the landowners, the areas involved, the business people, the oil and gas companies and I think that is what we want to try to do.

I think in the MTS case, what happened was the previous government had informed the public that they were not going to sell MTS, then they turned around and sold MTS. But what is interesting is that you look at the employment; the employment of MTS has gone down locally. You look at the phone rates; there have been changes on the phone rates

where they have gone up. Then you talk about service, where you are talking about linkages where people are linked to broadband, et cetera. These are important issues.

In the case of the oil and gas industry, we have got a case where there is more local employment. There is more local money as far as royalties. There are more local businesses. I know that the auto dealers and the truck dealers were very, very happy in Virden. I know the local retailers were happy and the government's revenues have gone up. So it is not only a triple win but a quadruple win. I think that is what we want to do in our government is work with different organizations to make triple wins, not just where one person wins and the other loses but we have all benefits to multiple groups. Can I rah, rah now?

**Mr. Cummings:** I think the minister avoided my linkage, but I know when to leave that sit because we have important issues to discuss around the oil and gas industry itself.

Aside from the boon to the area and to the government, we had some issues that I recall my colleagues raising about maintenance of roads and equipment and whether or not we were impeding the rate of expansion. Of course, when expansion is growing at a rate that is maybe unexpected, it is easy to be critical of why is it not growing faster, higher, et cetera. But there was quite an issue with the highways department on moving exploration equipment around because of the weights that were involved. Manitoba has quite a different policy, or did have at that time, relative to what was happening in Saskatchewan where they seem to be a little bit more user-friendly.

This may be an unfair question of your oil and gas departmental people, but I wonder if the minister has an opinion, based on the advice that they give him, whether or not we need to do more to facilitate the exploration in that area. Just the raw functioning of getting the job done, I know, was severely slowed down. In fact, because of that we even slowed down, in my understanding, the potential revenues to the area and to government, given the taxes that are paid on the salaries of the people working on this equipment. I am talking about special permits to move heavy equipment. Does this department have a position or has he made a position known to their fellow department about let us get on with the job?

\* (11:50)

**Mr. Rondeau:** Just to let the member know, I have had meetings with the industry players, multiple meetings with industry players and we try to keep lines of communication open. As far as the industry, what we do is we work with the department of highways to communicate with them, to try to strike the right balance between protecting the significant public investment in roads and the industry. So an example would be would be to make sure that the road ban is published and well known, inform the industry so that they can make appropriate plans during the times that the ground is soft, and we also facilitated the construction of a pipeline, and moved that forward very expeditiously so that the transportation of oil can happen through the pipeline rather than the road system. So it is much more effective as far as there are no bans on travel or weight restrictions, but also it is more dependable and cheaper over long term.

So we work with the industry to get the right discussions to try to facilitate the industry but also protect the public investment in roads, and seeing if there is, again, a way of having multiple wins rather than just more of a burden on one area.

**Mr. Cummings:** Well, I would hope that the minister might take a more aggressive approach to dealing with that, given the revenues that are available, as I understand, the movement of some of these heavy rigs and lose a week or two of opportunity to drill can be a significant loss for everybody. Goodness knows we have been complaining about infrastructure for decades in rural Manitoba, is this not an opportunity for this department to forcefully make the point that highways needs to get on with the reconstruction in certain areas or facilitate the development in such a way that we are not impeding these companies who want to get moving, particularly in the spring, when we first come out of the cold weather?

I am told by comparison—would the minister simply undertake to look at the policy in Saskatchewan and consider the possibilities of looking at implementing those policies with that similar nature here, which I understand are much more aggressive in allowing the industry to get on with its job?

**Mr. Rondeau:** Mr. Acting Chair, it is interesting to note that our government, after we met with the industry, we had some input on suggestions. We just recently removed the sales tax from drilling

equipment, which is a rather large incentive for the business to be here.

We have a choice between roads or something like a pipeline. The industry requested a pipeline. We moved that forward very expeditiously, so that, rather than take trucks carrying oil on the highways, which would create more pressure on the highways, et cetera, we expedited the construction of a pipeline. The pipeline, then, does not have restrictions. You do not have to worry about it. It is very, very cost-effective on large quantities. And so, by looking at options, we can make it more effective for the industry financially over the long term. We can make it better for the highways so that the significant public investment in highways—what we do is to be able to make sure that it lasts longer by having less oil trucks on the road. So, by building and expeditiously building the pipeline and moving it along quickly, I think what we are doing is we are allowing the investment in highways to exist longer. We are also helping the industry.

But removing the sales tax, again, I met with the industry, along with my deputy minister, met with the industry. They had concerns. One of the concerns was to remove the sales tax on drilling equipment. We went into consultation with the Finance Department and they removed the sales tax on drilling equipment. That was an important step. But there is balance. We want to make sure that the highways, if there is a way around having large trucks on the highways, if there is a pipeline which is more economically efficient, we want to promote that and move it forward.

**Mr. Cummings:** Well, it is not going to be too productive to continue to dwell on this, but I am really talking about the moving of the heavy equipment. I understand the moving of the product and what the minister just said. I will just leave it there.

The growth in this area has also led to a huge demand for skilled, and I suppose also semi-skilled, but skilled labour, highly trained professional people, geological training from the companies. Has the government got any initiatives underway to assist in making sure that kind of expertise is available? It has recently been brought to my attention that one of the major engineering firms in this province has a need for about 200 individuals and probably does not have any kind of a hope of getting them.

**Mr. Rondeau:** One of the difficulties in a boom period, and the whole economy is booming, all of western Canada is booming. And so one of the difficulties is a shortage of labour. An example is, if you look at the amount of construction that is going on, there is a shortage of construction workers. What we have done is we make sure that university is affordable. By allowing affordable university, by allowing people the opportunity to go and get courses, we believe a very, very good economic strategy is having a good education strategy.

So an example is if you have affordable universities and colleges, then what you will have is more workforce here. So, when you look at Red River College, I believe 94 to 96 percent of grads, I might be off by a few percentages, stay here. So they get trained here. They work here. They go to school here and then they work here. So that is very, very good, when you have in excess of 90 percent of the people who go to school stay in the province and build the economy.

Now, what we want to do is make sure that we work to have people go from transition from school to work. So that if you look at the new co-op tax credit where people who are in programs that have co-op into them, they go to school and they work right into the industry. We believe that will be a better transition and people will stay here.

Our labour force has grown. We have more people involved working and our unemployment rate has gone down. What we want to do is continue to have good transitions from school to work. We also want to make sure that we have quality people, so that is why the bursaries have gone up. Funding to universities and colleges has gone up, and we have about a 33 percent increase in post-secondary.

Part of that is, I believe and our government believes, that if we have skilled capable workers, we will have an expanding workforce. We will have better value added. So we have a choice, we can either go for the high-skilled, high value-added jobs, which we would like to do, and we also want to increase the economy. What we want to do is have more kids involved in engineering and college courses and electrical and all the trades and everything else. So, by having more trained people, we will have a greater economy and better economy. So that is part of our strategy is to have good quality education, and that will lead to better employment and growing the pie economically.

**Mr. Cummings:** I was wondering if there was anything specific that the department is doing. On the other hand, gross budget is \$8 million, well almost 9. The reality is that is somewhat unlikely.

\* (12:00)

**Mr. Rondeau:** Mr. Chair, we offer three specific scholarships that allow people to enter geology.

**An Honourable Member:** The size of them?

**An Honourable Member:** \$1,000 each.

**The Acting Chairperson (Mr. Jha):** I would like you guys to address the Chair, please.

**Mr. Rondeau:** Okay, Mr. Acting Chair, \$1,000 each.

**An Honourable Member:** Does this go till 12 or 12:30?

**The Acting Chairperson (Mr. Jha):** The honourable Member for Ste. Rose, please continue the question.

**An Honourable Member:** Can we have a break?

**Mr. Cummings:** Yes, I would agree if the Acting Chair would give us a two-minute bathroom break.

**The Acting Chairperson (Mr. Jha):** Okay, let us have a two-minute bathroom break.

*The committee recessed at 12:01 p.m.*

*The committee resumed at 12:04 p.m.*

**The Acting Chairperson (Mr. Jha):** Now, open for questions again.

**Mr. Cummings:** Mr. Acting Chairman, I am sure I could ask a lot more dumb questions about the oil business but I would like to spend a little bit of time understanding the activity in the mines side.

The minister's statement yesterday referenced a pretty buoyant industry. It is always nice to be the minister or be in government during those times. Again, and I presume there are other sources in government that I could get this from, but can the department undertake to tell me what the increase in revenue in terms of taxes from the mining industry is estimated to be? I do not have to have on the record today, but along with the increase in oil royalties and taxation revenues.

**Mr. Rondeau:** I can endeavour to get the oil taxes and the mining revenues to the member.

**Mr. Cummings:** Thank you. *[interjection]*

Sorry, Mr. Acting Chairperson. I have to get back to a better line of questioning here and approach, respecting your need to keep some order in this.

As we look at mining, the minister made some pretty sweeping statements about our opportunities that are still yet undeveloped out there in terms of the industry. I see in the Supplementary Information here a significant amount of time talking about the Geological Survey and the responsibilities that we have in that area.

Can he give me some insight into the amount and type of activity that we have undertaken in identification of yet untapped resources?

**Mr. Rondeau:** The Geological Survey, one of the things, Mr. Acting Chair, if I may, the mines policy and the geological information that we have had has been rated by the Fraser Institute as one of the third best in the world. So we have done very, very well on this, and the Fraser Institute is not noted as being a huge left-wing organization. So I take it that the member opposite understands that this is a very good policy and geological information. So that is very, very good.

The interesting part about it is the Geological Survey is conducting a lot of information, a wide range of activities in the development and management of mineral resources. Some of the investigations are in Manitoba's Precambrian Shield, western Canada's sedimentary basin, the Hudson Bay basin, include examinations of it. What they do is they go to bedrock, subsurface materials, subsurface sediment including sand, gravel and organic deposits. So then they get all this information out in the field. They provide the data, maps, reports and deposit reports and databases, all this to the industry.

They maintain data inventory. They provide the information services through Mineral Resources division's library and Web site and publication sales to a broad range of clients and the general public. Then they do all sorts of outreach information. If you would like to invite your constituents to The Forks, they are actually doing a display in The Forks this weekend, which is part of Mines and Minerals Week. It is interesting because there are all sorts of kids that are not only learning about the minerals and panning for gold, little gold flakes, but they are also learning about the jobs in the industry and the importance of mines and minerals in the industry.

Then they co-ordinate a convention which has been the case in the last few years. At the convention, there are also players in the industry who show up and they talk about mines and minerals. It is a wonderful convention and you are welcome to come. As critic, I would invite you to come because what we do is we meet with the industry and we talk to them about how good Manitoba is as far as a place to invest.

So it is interesting that the Fraser Institute basically talks to mines and minerals companies in order to come to their assessment. That is interesting because not only do we have a good program with the Mineral Exploration Tax Credit, et cetera, the prospectors' tax credit, but we also let people know what we have available in this province as a resource and information.

\* (12:10)

I think that the administration and management of the programs have done well. The information being sent and provided to the industry and industry players and investors has been extremely well as far as the information through the databases, through the Web site and through the convention. I think what we have done is we have an excellent group of individuals who do field work. I think Mr. Ric Syme has done very, very well as far as managing the whole area.

**Mr. Cummings:** Well, I see under the objectives that are listed on your supplementary information on the Mineral Resources side talk about increasing Aboriginal involvement. What is the department doing to actually accomplish that?

**Mr. Rondeau:** What has happened is there has been an Aboriginal prospectors course. In fact, it has had two intakes. What this course is, is getting individuals involved in the mining industry, mineral industry and prospecting. We have also worked with Ron Evans, who is the Grand Chief, whom we have talked with and met with to provide a presentation on the stages of mining and occupations. In fact, I am pleased that Ron Evans actually went to Toronto to PDAC with us to promote Manitoba being open for mines. We also went to Cross Lake to discuss the mine cycles, the jobs that are available, et cetera.

But the general idea would be to work with different groups to let them know not only what jobs are available in mining but also the support industries. I would like to bring all members' attention to a huge opportunity that has happened in

Bissett. In Bissett, you have a gentleman named Hugh Wynne, who has worked to develop a mine. You have him working with local industry to provide a training course. What they have done is they have accepted the hard rock training course. They developed local people. So about 60 to 70 of the 120 people who are employed are Aboriginal local employees, who have been trained using the hard rock curriculum, who are now employed in the mines industry. So you have about 60 percent of the people who are employed locally, Aboriginal people, who are now working in that mine very successfully.

So I think, by working with industry and government, we can actually have huge employment opportunities. The other thing that I would be happy to let the member know is we have been working with the industry to follow the example of the aerospace industry to create an association to develop people so that you are working with young people, education wise, to create jobs, to get them in the industry and promote the industry so that we actually have the quality employees necessary to make the industry function. Hopefully, there will be more and more Aboriginal participation because most of the money and activity is up north, and we would like to have local people employed because then it is easier for retention, easier to retain workers and keep workers there.

**Mr. Cummings:** Associated with mining are very often rehabilitation issues. How many abandoned sites, or I may have the wrong technical description. What problem abandoned sites have we got in the province right now?

**Mr. Rondeau:** There are five areas which actually needed to be directly addressed as far as orphaned and abandoned mine sites. There is a lot more on the Auditor General's which might be tiny, advanced exploration projects or simple things, but we have five major sites. The five sites that are the high-risk sites—we are talking about not just small operations—are Sherridon, Lynn Lake, Gods Lake, Snow Lake and Baker Paton.

Now, of the five orphaned and abandoned mine sites that are of high risk, Baker Paton has had extensive work, and basically is almost completely addressed. I am happy to say that Lynn Lake has been a problem for many, many, many years, has had issues for many, many years, and I am pleased to say that we are moving forward on an agreement with the company and government to address that in the near term.

As far as Sherridon, I am pleased to say that we are also moving forward with Sherridon to address an issue that was around before I was born. The site was abandoned, I believe, in 1953. So it is nice to see that we are working in conjunction with others to address and remediate the site and make it environmentally appropriate. So those are moving forward.

The other sites have plans that are beginning. But I think what has happened is that some of these sites, like in the case of Sherridon, have not been addressed since 1953 in any meaningful way. They are started or programs had begun, but they have not been mitigated in the long term, and we are moving forward to mitigate them in the near term. In the case of a lot of them, we have the plans being developed to say how do you go forward. The money is being put aside to develop them and make sure that they are environmentally taken care of, and I think that is a very, very appropriate thing to do.

**Mr. Cummings:** I do not need the minister to provide me with any confidential information, but given the nature of these projects, I wonder if I could have what would, I guess, best be described as a status report of these major sites and a list of the minor sites that are in need of rehabilitation. I am talking mining sites here, not the gravel pit rehabilitation. I will ask about that in a minute.

**Mr. Rondeau:** I neglected to mention in my previous answer, one of the interesting parts about our mines regime now is that there are, if you are doing a mine or an issue or doing something as far as the mines act you have to have closure plans in place, financial plans in place on a go-forward basis. So what we are doing is, on a go-forward basis we are addressing all operations now, and on a go-back basis we are dealing with all the past sins, if I may. So we are trying to deal with the past sins. We are moving forward on the high-risk sites because that is where the most environmental issues are. October, September, a lot of the work on the movement on the plans are going forward now. So, when that is completed, I would be pleased to let the member know what our plans are in different sites.

**Mr. Cummings:** I appreciate the minister's candour. I am probably seeking some information on the current status, and then I can judge whether or not you have made progress over the summer.

**Mr. Rondeau:** If you want current status, there is some. Generally, what we are doing is we are doing

the environmental assessments and go-forward plans now. Over the last few months we started on many of these things and we are moving forward. The difficulty of providing something right now is a lot of these plans, like in the case of Sherridon, have sat there since 1953. There were one or two efforts to do something about it in the fifty-some-odd years from then till now. What we would like to do is, on a go-forward basis, have a plan, have a plan that is achievable and deliverable and move it forward.

Now, I have not received plans on all these sites, like finalized work plans, where we are going exactly. I understand that is going to take a little bit of time for the department and the environmental consultants and all those people to put together. I will share those plans with you when they are ready. But up to now some of these sites have not got work conducted on them, so that would not be worthwhile. I know that there is ongoing work on at least three of these sites in the near term, to be completed in the near term. I would be more than willing to provide you that when it is available, but it might not be available right now. I would be happy to provide it to you. I have asked that it be done expeditiously from the department to me, and I would share that to you, also expeditiously.

\* (12:20)

**Mr. Cummings:** Well, Mr. Acting Chairperson, I am quite willing to put on the record that I recognize the long-term nature of this responsibility and that there was a period of time when I jointly shared with this department that responsibility for clean-up.

So, you can quote me any time you like on what I just said, but I am still asking for current status on the site. In planning for rehabilitation is an acceptable answer in the sense that I understand that that happens, but I would like to know if there is progress actually happening, which is the same questions that we were asked ten years ago.

**Mr. Rondeau:** I understand that there is progress happening as we speak. What I will do is get the plans to you shortly. I will get them to you shortly, meaning in the near term, not December or next year or something like that.

**Mr. Cummings:** On the minor scars that we have across the province with gravel and quarry sites, is that lodged in this department as well, the management of that?

**Mr. Rondeau:** Thank you, Mr. Acting Chair. Yes, the pit and quarry rehabilitation program is also housed in this department.

To let you know, what we do is we collect 10 cents a tonne on the production, aggregate production. It is collected on all Crown as well as private lines. It is set aside to a dedicated fund called the Quarry Rehabilitation Reserve Account. We enter into agreements and expend monies from this account for rehabilitation of depleted pits and quarries. Just to let you know, since its inception, over 1,527 projects have been completed amounting to an expenditure of \$15.3 million, over 6,576 hectares, which is 16,000 acres for those of us who understand that system, have been rehabilitated.

It has been good because what is happening is that the people who use the funds take out the funds. They put the money into a pot and as the quarries or the pits need to be rehabilitated, we have been doing that. We basically work with local people to do that.

**Mr. Cummings:** This is one of those areas where demand will exceed supply for a long time. The minister briefly described the approval process.

While that information is being put together, I have another question for the minister: Quarry rehabilitation, in the big scheme of things, is an important but more modest requirement. In the interests of time, however, the minister ask the expertise within his department about what—we saw an announcement recently on a potentially new gold development. Are there any—well, I should wait, Mr. Acting Chair.

Before he answers that question, I will finish my subsequent question, so that he can put it to the appropriate people. Are there other current expected expansions that the minister can share with us, or would that be awaiting development plans from companies? I guess I am thinking of our smelter capacity. Are there any outstanding issues that the department is still dealing with, relative to environmental and capacity situations, relative to our smelters, which are an important part of the industry, but they are also very expensive and potentially have environmental issues associated with them, which I am reasonably well aware of? I will leave that there, and we will finish up on the gravel quarry approvals.

**Mr. Rondeau:** As far as the pit and quarry rehabilitation program, I understand it is prioritized on concerns of safety, and so there are different



applications that go forward and they are prioritized on safety. Basically, what happens is they contract the rehabilitation work back to private industry as is generally the case, and it creates employment opportunities and creates some economic activity back to the local community. That is what happens. They sit there. They come up with the pits and quarries that need to be rehabilitated. Mr. Ernie Armitt, who is in charge of that department, prioritizes them and then they just get done, usually contracted to local areas. So that is that.

As far as the smelters, the department of the environment, part of Conservation right now, is in charge of the smelters as far as the environmental issues, and they currently conform to the environmental guidelines. There is always regular monitoring of the emissions and what is going on locally. That is what is happening as far as the smelters.

The smelters, again, one of the things that is important is on a go-forward basis, the closure plans of the operations should have less of an environmental liability because there are financial plans on the closures of these operations. So what we have done is on the go-forward we have said okay, you have mine operations or smelter operations, you had better have closure plans. They have to be provided to government. They have to be sort of approved. If we have questions, we will have a third party evaluate them. Then what will happen is, in The Oil and Gas Act, we have 3 percent of the revenues from oil and gas going to past environmental sins. So they are cleaning up the past environmental sins, but there is a financial regime in place to deal with the environmental concerns of the future. It is a two-step approach that seems to be okay not only to use existing revenues to move forward environmentally but also to address the things that happened in the past.

**Mr. Cummings:** Well, we are perilously close to the end of this. I was more concerned about the capacity and future demands that might be for smelting. The minister can answer that when we resume. We do not need to bring these departmental officials back regarding mines and petroleum if we run out of time to finish the questions. Thank you.

**The Acting Chairperson (Mr. Jha):** Mr. Minister, we have 30 seconds.

**Mr. Rondeau:** The smelters and the environmental plans, I have confidence in the regime so far as far as moving forward, and as far as the future capacity for

any new operation, there is an environmental assessment to see what impacts on the environment are. So, if there is an expansion of any of the major operations, there would have to be an environmental impact statement to see the effects on the environment.

**The Acting Chairperson (Mr. Jha):** This hour is 12:30 p.m. According to the rules, this section of the Committee of Supply is adjourned.

## HEALTH

\* (10:00)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now be considering the Estimates of the Department of Health.

Does the honourable minister have an opening statement?

**Hon. Tim Sale (Minister of Health):** No. We are going to get right down to it.

**Madam Chairperson:** I thank the minister for those comments.

**Mr. Sale:** We were asked to give lots of time because some members of some opposition parties at some point in the past have taken some time to ring bells and things. So, out of a real concern for getting on with it, we were asked to just sort of shut up and listen. So that is what I am going to do.

**Madam Chairperson:** Does the official opposition critic, the honourable Member for Charleswood have any opening comments?

**Mrs. Myrna Driedger (Charleswood):** Actually, I just have a few brief comments to make. I just want to indicate that I am very pleased to be back in the portfolio. It does feel like coming home. The one thing I was surprised about coming back into the Health portfolio was to walk back into an ER crisis, that, I was surprised. I thought that more of what had happened in '03 and '04 would have certainly led to something better happening in the ER.

Certainly, there is lots of crisis in health care, and I think there is more coming down the road in terms of the future challenges. I look forward to the opportunity to ask questions about them. I do have some concerns that in order to address some of these upcoming challenges out there, whether it is chronic health problems or whether it is issues around increasing cancer rates out there, I think it is going to

be a challenge for provinces to address the issue. I will be asking the minister more in terms of what the plans are here in Manitoba to address some of that.

I will be asking him, also, to address the issues around us being rated dead last in Canada in health care. After \$1.5 billion have been put in to health care, it is disconcerting to see those kinds of reports come from, in this case, the Conference Board of Canada. Certainly, in areas of that report I will be interested in asking the minister questions about that.

I do want to indicate, too, that last night I spent an hour and a half on the phone with a medical specialist very concerned about the exodus of specialists in Manitoba and about the poor morale across all levels within the health care system. It was a very interesting phone call, and we will be getting into questions in that area.

Just based on some of the things I am hearing, too, and the phone calls and letters and e-mails that I have been getting over the last few weeks that I have been the Health critic, I do have some concerns for patients and I have some concerns for the professionals in the health care system, for the many front-line health care workers based on information that is coming forward to me. So I look forward to having the opportunity to ask questions of the minister about that.

At this time, I do want to acknowledge, recognize and thank all of those front-line health care workers and the Department of Health staff for the many challenges that I know people have to face on a day-to-day basis. I would once again say, too, I know that being the Minister of Health (Mr. Sale) cannot be an easy job. You know, I appreciate the effort that everybody puts in to try to do what is going to improve health care. With the challenges that are out there, it is no easy task for all of those people. But, certainly, at this level we have a responsibility, I think, to dig deep into the problems and challenges and try to come up with some of the solutions.

But to the front-line workers who are really the glue that hold it together, who I think also have a lot of the answers to some of the problems. Having been on the front lines myself for many, many years, I am not sure we are tapping into them well enough. What I am hearing more and more with regionalization of the health care system is that those front-line workers are pushed further and further back from the decision-making process. I will be spending a

considerable amount of time asking about that during Estimates.

So to all of those people on the front lines, you know, your work is very much acknowledged and appreciated. I would encourage them not to give up on Manitoba, that there is a lot of good reasons to want to be here and work here, and I think there are opportunities for good things to happen in health care and improvements to be made. To the department staff, I have the highest regard for the people that work with these challenges on a day-to-day basis and try so hard to make this system work. I just want to acknowledge their efforts at this time.

So with those few comments, I would ask the question as to whether or not we would just be getting into, I think as probably the new rules allow, just global questioning and then at the end just end up going through the line by line to make it quicker?

**Madam Chairperson:** Well, we thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate on the Minister's Salary is the last item considered for a department in the Committee of Supply.

Accordingly, we shall now defer consideration of line item 21.1.(a) and proceed with consideration of the remaining items referenced in Resolution 21.1.

At this time we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff in attendance.

**Mr. Sale:** I am sure that our critic knows Arlene Wilgosh who is, like our critic, a nurse, somewhat long-departed from the front lines—

**An Honourable Member:** He means long in the tooth.

**Mr. Sale:** No, not long in the tooth; long departed from the front lines. And Heather Reichert, is a chartered accountant and is our chief financial officer.

**Madam Chairperson:** Standard Manitoba practice is to consider the Estimates of each department in a chronological manner. Does the committee wish to proceed through the Estimates of this department chronologically or seek leave to have a global discussion?

**Mrs. Driedger:** I would seek leave to have a global discussion because I think it might be easier and quicker to go through it that way.

\* (10:10)

**Madam Chairperson:** Is there agreement?

**Mr. Sale:** I do not have a problem with that, Madam Chair, except to say that if the critic wants to ask specific questions in areas where we skip around through the Estimates, she knows there are a number of different departments of different complexities, and we may not be in a position to immediately answer detailed questions if we do not go chronologically because staff will not be here. I am very loath to take the excessive amount of time that it would take to have the room fully peopled with all of the different departments' staff to answer specific questions. I do not think it is a good use of their time.

So, with that caveat, I do not mind doing that but I think we have to be aware that it is a complex department and we may not have absolutely every piece of information that the critic may want to elicit.

**Mrs. Driedger:** I appreciate those concerns that the minister has raised. Over the last number of years when I was the Health critic, I do not think we had any problem in working around that. I do not want to tie up staff here. We have never run into any problem in doing it this way in the past. As some of the questions come up and if the minister wishes to defer to a time when the staff is here, I do not have a problem with being flexible like that.

**Madam Chairperson:** Is it agreed then we will have a global discussion? *[Agreed]*

The floor is now open for questions.

**Mrs. Driedger:** I am interested in the minister's perspectives on what he sees as the current challenges today in health care in Manitoba.

**Mr. Sale:** Let us see, how long do I have?

**Madam Chairperson:** Ten minutes.

**Mr. Sale:** Ten minutes, okay.

That is a really interesting question and I guess it would be how to transition from a system that has been hierarchical and not focussed on measurement and clear application of best practices and standards of care to a system that is characterized more by collaborative teams, best practices and a clear attention to appropriately monitoring and measuring what are the important outcomes. I think from a system point of view those are probably, from my perspective, the most important management challenges.

Now, you could list enormous numbers of things, chronic disease, lifestyle, wellness; 70 percent of our expenditures are on chronic disease, so, clearly, we are never going to catch up if we do not change the trajectories of people's health to a higher level of fitness, wellness, lower levels of obesity, all of the things that go with the prevention of chronic disease.

I do not think we will quickly—and I am thinking quickly means a decade. We are not going to recover from the structural shortages that were the product of some decisions made, not just by the previous government here, but by governments across Canada and North America in the 1990s to reduce enrolments in medical schools and in nursing. Those are long-term structural shortages. They are going to take time to repair in spite of the work that has been done, in spite of the successes that we have had. Those are things that are not going to go away quickly if you look at the age of the workforce, look at the fact that an ER doc speciality really only emerged 18, 20 years ago. It was not a speciality. It was GPs, GPs with some extra training, but often not extra training, just GPs.

So we now have an new ultra-specialization process going on in medicine where there are, I think, now something well over 70. I do not know if it is into the eighties yet, but, certainly, over 70 recognized specialties in medicine. That kind of level of specialization, how do you train in regional medical schools that number of different specialists that could be trained? I mean, it is just not feasible. You cannot train that variety of specialists in one regional medical school with anywhere between 70 and 100 undergraduates and therefore residents in any given year. It is just not feasible.

So that level of specialization, how do we deal with that? How do we provide collaborative supports? What do we have to do with our remuneration models that would change the incentive structure for positions that might induce the kind of improvements to primary care and chronic disease management that would meet the needs of physicians who typically now are in their thirties before they are fully engaged in their specialty? Even GPs are often in their thirties now. They typically do not want to practise 70 hours a week anymore. Sixty percent of the undergraduate class at the University of Manitoba are female. They practise different styles, and they practise for different total amounts of time. So, when you are talking about replacing the heroic GP who worked 70 hours a week, you are not

talking about replacing that GP with one person, because the new person will not work more than 50 hours a week, and they will not work for as many years, and so that whole labour force issue is going to be with us for a very long time, and a lot of challenges.

You asked, I think, a really important question. I think the big challenges are in the management and monitoring and measurement and the use of expert systems and best practices. The labour force issues are enormous and will continue to be as more and more specialization takes place, and we subdivide even at the technician-technologist level. We are subdividing specialties at that level too, and the third area is overall population wellness. We just cannot afford as a society, either from a health point of view or from an economic point of view, we cannot afford an epidemic of obesity, but that is what we have got, and it does not just affect the health care system. It affects employment; it affects insurance costs. I mean, it affects the whole economy when you produce a population of couch potatoes, and that is what we are doing with our children, and we are certainly doing it with those who watched the Oilers game last night. I did not, but I know about it, and I was watching television. You know, the national news.

So I think that, if you want to take a broad perspective, I would say those three things are the areas in which there are opportunities and long-term challenges.

**Mrs. Driedger:** Where does the minister see adding information technology into the health care system, into that, because I know there has been talk about that being a real asset to improving patient safety, that we have to look at that? And, I guess, while it is on my mind right now, I would ask the minister about that and where the plan is on a go-forward basis in terms of how we might be moving forward with that.

**Mr. Sale:** I am glad that my honourable critic has asked that question because I think she is recognizing the importance of information technology. We have moved perhaps more in the last 18 months in this area than in quite a lot of the previous time.

\* (10:20)

To give her just a snapshot of where we are at today, the hospital information project at St. Boniface is well underway in terms of

implementation. The infrastructure was completed a year and a half ago, and now the actual Pyxis ADT system, admission discharge transfer system, is being installed. The project head is Dr. Diamond Kassum. I do not know if the member knows Dr. Kassum, but a very fine change agent, really, as well as physician.

A large number of St. Boniface line staff, management staff are involved in workshopping the new system using, I do not want to use the term "dummy," but that is what it really is, information sets, patient records. This is a full clinical management system that will have capacity at every ward at every nursing station, all patient records, all lab information, radiological information, emergency ward system. It is a complete information technology solution to a tertiary care hospital.

What differentiates that from past practices is that St. Boniface needed to do this because their ADT system was creaky to say the least. It was certainly outdated. We wanted to make sure that we were not buying a one-off solution that would be St. Boniface's but nobody else's, so we took an extra about two months in the procurement process and changed it from a St. Boniface system to a Manitoba system, with the first implementation at St. Boniface.

The policy for the HISS project at St. Boniface is the same policy that we will be using for all of our major systems, and that is that we choose a system that we believe is best of breed for Manitoba, and we implement it sequentially in hospitals as either they have no system, in which case it is a first implementation, or if they have a system that is in place like Cerner, or one of the other systems that are out there, GE has a system, for example. Well, many of the big manufacturers do. SAP has a system.

But, as systems in existing hospitals go best before, then the replacement will be the Pyxis system in the larger hospitals. Pyxis partnered with a Manitoba company called Momentum Software. People may know Chuck LaFlèche, who is the president of Momentum. Momentum provides a solution for small hospitals and nursing homes. So what we have done is standardize on Momentum and Pyxis as the Manitoba ADT systems, as well as the minimum data set. The member is familiar with the minimum data set standards for nursing home information systems. We have done that now with all of our major systems. We have completed the master provider index, the master patient index. Those are the kinds of building blocks on which all the systems depend. If you do not have a master patient index so

that we are sure that Myrna Driedger, who lives in Winkler, is not Myrna Driedger, who lives in Charleswood, and is also not the one that lives in Steinbach. So having a master patient index that can make sure that we have the right person, as well as a master provider index so that you can cross tabulate and manage who is getting what treatment from whom. That is in place.

Our laboratory information system, which was also intended to be province-wide, will be in place in Winnipeg, I think, in the fall of this year. It is being installed now, being adapted to the various hospitals because they are not all in the same place. Our risk packs, radiological information and picture archiving systems are about a year away, I think, from full implementation in Winnipeg. The way we are doing this is using the provincial data system and our information protection centre's capacity to secure data in the same way that the bank systems secure data so that we are clear that we are protecting patients' information and meeting all the requirements of PHIA.

We have taken e-health as a Manitoba direction now, instead of having a Department of Health information system and each RHA having their own, which, of course, is what leads to fragmentation and loss of buying power and systems that do not talk to each other. We have E-Health Manitoba, which is headed by Ian Fish. Ian is, at the same time, CIO for the Department of Health and CIO for Winnipeg Regional Health Authority, because we both have systems that have to talk to each other, and we believe that we can get much better stewardship of our dollars if we go that way. This approach has been strongly supported by Infoway Canada, which is the national granting organization that was set up by the previous government. I hope will be even more strongly supported by the current government because it is critical that it be supported.

They are very much keen on the approach that says we are going to look at a jurisdiction and a jurisdiction that makes standards for that jurisdiction, architecture, system architecture standards, hardware-software standards. Not that you have to have one kind of hardware, but you have to have standards that ensure that this Hewlett-Packard server can talk without difficulty to the IBM server sitting beside it. We just cannot afford to have that kind of compartmentalization if we are going to serve patients wherever they are and provide the kind of seamless service that we want to provide.

So that is a bit of a snapshot of where we are. It is a very significant investment, but I think we have moved from being perhaps average or maybe a little less, to being well up in the pack in terms of provincial data capacity to meet the needs of a more electronic and a higher quality of patient information.

**Mrs. Driedger:** I think that is very interesting information and I acknowledge the good work that is obviously happening in this area, no easy task I am sure trying to implement something like that throughout the system.

Can the minister indicate what the cost might be for something like this on an annual or total basis and what the rollout plan is, or at least over what period of time does he think it will be before Manitoba becomes, you know, is it 10 years, 15 years before Manitoba is fully into it?

**Mr. Sale:** I will ask our officials to point us to the correct line but in the meantime I should also add that we are very proud of our Telehealth system. It will be growing this year. I am not going to tell the member by how much because that will be announced shortly, but it will be growing this year. We are pleased that we are I think now finally in a true collaborative partnership with First Nations Indian Health Branch because we see getting Telehealth into remote First Nations communities as a very important initiative. We hope that it will provide better health care by allowing nurses to consult more easily and on a face-to-face basis with patient and physician and whatever resources are needed.

We are also, I think, making some good progress with Infoway on public health surveillance as well. B.C. was the lead province initially on that system, but it is meant to be a national system and we are partnering with B.C. to move the modules for that here.

I think when you say, when will we be finished, I do not think we will ever be finished. It is kind of like any part of the health care system, but my test of when it will be effective is when a family doctor can get at their desktop patient information that is relevant for the care of the patient, lab tests, radiology, any other relevant information and will have access to the patient's current drug and past drug history and that sort of thing.

I think that we will see the early adapters able to do that and have real practical benefits from that in

between one and two years from now. The lab system is available in the fall of this year; risk packs is available next year.

The question is getting clinics that have not adopted an electronic patient record as opposed to an electronic health record. Electronic patient records is usually the term that they use to talk about records of their patients under their care, but it would not include the history of the patient in various hospitals or with other specialists that might have preceded the care in that particular primary care centre.

\*(10:30)

So we have clinics like Brandon, Russell, Assiniboine Clinic in Winnipeg, the Wiebe clinic in Winkler. I am not sure how many there are in total in Manitoba, but 20 or so, 25 clinics, that already have an electronic patient record. So they have got the infrastructure. So then the question is just connecting them into a secure portal that would safeguard data, use our high standards of patient information protection, but let them download into their system, with permission, obviously, with the appropriate access permissions, the information that would be on our bigger system. Technologically, that is not difficult. That is not a big hurdle. It is putting in a provincial data network connection which is about \$10,000 and doing all the protocol training to make sure that you have appropriate safeguards in the system.

So I think what we are going to see is the early adapters will be those clinics that have already made investments in IT, have electronic patient records and can relatively easily then hook on to our master patient index, master provider, risk packs, LIS and anything else that is in our broader deep end, for example. Working with our folks, we think that we can do some of that quite quickly.

When will that be in everybody's office? I hate to say it but there are still 20 percent of our physicians who do not even have a fax machine let alone a computer. We really need them to join the 20th century. We know we are now in the 21st; we would like them to at least get to the 20th. We have finally got agreement with the MMA that there will be no longer any paper claims after, I think, the end of this agreement which ends in '08, I believe. But there are very few places in Canada that are not on electronic billings. So we need to encourage our physicians to take advantage of what they can do for their patients.

So what I think I am saying to my critic is that I think there will be lots of leaders where we will get end-to-end connections relatively soon, and I am saying within a year to two years, and real benefits to shortening tremendously time between test and result, time between consult and next result because the results are going to be available virtually instantaneously. But there are still a lot of offices where this just is not possible, and you cannot force people to use computers. We have tried that in the past. It really does not work all that well. So we have to encourage and support and help our practitioners to make that transition in the best interests of their patients.

In terms of the Estimates, the member probably knows we run a capital plan that allows us to invest each year up to a ceiling so that we maintain a debt-to-GDP ratio that is declining but that we make as much investment as we can keeping that ratio declining. That is what we have done for the last seven budgets. The estimate next year is that we will expend somewhere in the \$50-million region. IT projects are notorious for being—ours have not been over budget, thank goodness—but they are notorious for being later rather than sooner. So I do not want to give the member an absolute hard number, but the plan is for approximately \$50 million of capital expenditure which would be focussed on the lab information system, the risk packs system, HISP at St. Boniface, the hospital information service program, completion of the master patient, I think—no, it is completed, I think. The master patient index is completed. A couple of data centres, we have got to update our data centres in terms of security location. We need a backup centre which will go into the Air Canada building, actually, because it is a secure location, under our control, but in that space because it is a high-tech environment with all the information protection and backup systems that we need for a secure data centre, so that we split our data centres between a large centre and a hospital and a mirror centre.

So that is what the major expenditures will be on in this year. It is a long-term program, you know, and the total planned expenditures will be of that order for several years to come.

**Mrs. Driedger:** I recall that Gordon Webster had done some work in this area in terms of looking at technology within the health care system and I recall at that time, and that was years ago, that they put a price tag on something like this at around a half a billion dollars. Are we looking at this being probably

in the same ballpark or now that this is several years down the road will it end up probably costing more or less maybe with advancing technology? I know some prices do tend to come down.

**Mr. Sale:** I think there is a high degree of risk in estimating that kind of cost. Generally speaking the cost of data storage and data transmission has come down really, really sharply so I think that his estimate was based appropriately on the costs at that time. I think the costs are significantly less than that at this point but they are still in the low hundreds of millions.

We have already invested, I do not know what the total to date would be without going back and adding it up. We have current approvals from Treasury Board for about \$100 million and when you get an approval it is a multiyear approval. So it does not mean we spent the \$100 million. It means that that is what is currently in flight in terms of approvals and we expect that you would probably add that much or a bit more again. That is current estimates but hardwares change prices radically, data storages change radically.

When we renew contracts now we typically see anywhere from a 20 percent to 40 percent reduction in those contract costs, so it is really hard to project what is going to happen in the data world in the next while. Costs have come down so sharply for the last decade but the current estimate is in the low hundreds of millions, with 103 committed, 50 expected this year. That will bring it to 150 commitment level, so probably the best that I can give the member. I would caution her not to think that that number is written in stone because things do change and we often can take advantage of things like Momentum Software, for example, where in order to provide licences for two of the largest health regions in Manitoba we were able to secure those licences for a fraction of what it would have cost us five years ago just because of software trends and those opportunities come along and when they do we grab them.

**Mrs. Driedger:** My next question was related to what the minister put as his priorities. I think he has probably answered a number of them in terms of identifying what he sees as challenges in the system. Are there any other priorities other than the ones mentioned already that the minister has?

\* (10:40)

**Mr. Sale:** Yes. We somewhat reorganized our deputy's office not quite a year ago, but last fall, I guess, because we wanted to take a more strategic project management approach because there is a lot of work the department does which the critic might attribute to on a day-to-day basis. That stuff has to go on, but, if you are going to manage change and bring change in an appropriate way to a big system, you have to put some resources against that and not just hope it will change, but plan the change and make sure you support people through the change.

So we have I think what we call a lucky 13, and I can provide the critic with a copy of this, but I will just go over them briefly. There is E-Health, which we have talked about, development and implementation. These are not ranked by the way. These are all priorities under the management of the deputy through the strategic project group, because if you look at the Organizational Chart, Madam Chair, just below the deputy, I think on the right-hand side of that line there is a strategic office. Joanna Plater, J. Plater is the staffperson.

The Drug Management Policy Unit which we put in place with support last fall to do some of the things that the Auditor General asked us to do this spring, we were already doing some of them. We were glad that the Auditor agreed with what we had already done. That is to try and get some better prices, to get better drug utilization, to be more strategic in how we deal with Pharmacare as a program. So that is a new unit of five. The Drug Management Policy Unit, Olaf Koester is the director of it. So getting that working and getting benefits from it is a priority.

Our Manitoba approach to primary care reform which is being led on a secondment basis by Jeanette Edwards. The member may know Jeanette, a long-time inner-city advocate and nursing director at the Health Action Centre. That is a very exciting initiative, and I think we are finally figuring out how to help move forward appropriately in primary care reform by working with the leaders who have been out there already: Centre de santé that has moved into a collaborative practice model, Wiebe clinic in Winkler, various other practitioners in Manitoba that are moving forward very quickly with electronic patient records, use of nurse practitioners, use of care teams. That is a very encouraging set of changes that are happening.

We have a new Physician Resource Coordination Office. It is a high priority. That is we

now are working with all of the regions to co-ordinate the recruiting efforts to focus on their priorities for recruiting and to assist them in that process rather than having each of them out doing their own recruitment. We are getting very good early results from that I think. I do not know if the member has looked at our Web site, an improved Physician Recruitment Coordination Office Web site. I do not know how many hits we are getting now, but we are certainly getting a whole lot more than we were before. So there is that whole strategy of physician recruitment and retention as the member was asking the other day about.

The blueprint on Aboriginal health, part of the Kelowna Accord which, by the way, if I can seek the member's support to speak to her colleagues at the national level, our future as a province is tremendously dependent on the future of the Aboriginal people of this province. One out of every four labour market entrants this decade will be an Aboriginal person. If the Aboriginal community does not prosper, then Manitoba is not going to prosper, and if the Aboriginal community is not healthy, then Manitoba is not going to be healthy. So we need the Kelowna Accord. I do not care if they want to call it the new Kelowna Accord or the Brandon accord or some other name. It does not have to keep that name, but we sure need the investment in Aboriginal health, particularly in terms of prevention of chronic disease and improvement of nutrition standards, et cetera.

We have a chronic disease initiative. It is called chronic disease partnership, I guess. No, it is called the alliance, is it not, which, as the member probably knows, is the major disease groupings: kidney, heart, stroke, lung cancer, diabetes. They together worked with us to select some 34, 35 communities who have put forward plans for improving the health status of their communities. They have been given grants to fulfill those programs. A number of those are high-priority communities that are at-risk communities in some sense of the number of problems that there are in those communities.

The Healthy Living initiatives and strategy, which the member I think is well aware of the various issues there. Mental Health and Addictions, we have been debating the meth and treatment bill, but that is only one part of this whole area of priority for Mental Health and Addictions. We have invested substantial new funds there. The member knows, I thank her for her support of The Public Health Act. We are pulling together that department into a single public health unit. We have transferred the inspectors

from Conservation into Health, which I think a lot of people are glad of. The Emergency Medical Services, we have now got the full 160 coaches, either on the highway or arriving as we speak for the last tranships, 40 of those coming in now. The Manitoba Medical Transportation Coordination Centre in Brandon is on-time and on-budget. It will begin a phased-in operation in September, co-ordinating the dispatch of ambulances across Manitoba in co-operation with Winnipeg for the Winnipeg area.

The member probably knows, we announced a long-term care strategy that involved some \$80 million in Winnipeg over the next five years. We will be shortly bringing forward the rural plans to move towards more supportive and assisted living, more aging in place, fewer people having to rely on personal care home admissions, more flexibility in our home care program. That is a complex strategy involving co-ordination between Family Services and Housing, because senior blocks are going to have small numbers of suites renovated for supportive and assisted living and some specialized supports for group living that are people clustered together with some level of particular needs, clustered in buildings. The focus units, for example, are over here in the Kennedy area where people who are in chairs are clustered in a particular block and have dedicated homecare, that kind of model.

We certainly have a priority on strengthening our pandemic planning process. Then, finally, all of the complex strategies on wait times, which is a whole group in itself. But the strategic initiatives office has a mandate to ride herd on these 13 priorities that are, essentially, the guts of our change management strategy in the department.

Am I right that the member wants a copy of this?

**Mrs. Driedger:** I note that the minister did not mention anything in there about ERs or hallway medicine. I wondered where that fit into any current priority as it was the biggest promise that the government had in 1999, and I do not think it has been resolved.

**Mr. Sale:** Well, I think the member probably knows that every ER in North American is facing challenges. But, without wanting to change the tone of our dialog this morning, I think it would be charitable of the member to recognize that, when you have moved from 28 to 35 people in the hallways, and I do not mean waiting for admission, I mean in the hallways, to an average last year of 4.7 over six



hospitals, that is less than one a day on average over the past year. It seems to me that we have to acknowledge that there has been enormous progress with the re-assessment nurses which, I think, came about because of a sad problem which, again, is not unknown in other provinces or cities.

\*(10:50)

With the triage commitment, with the installation of the computer systems, which are not all installed yet in Winnipeg, but they are coming, they are allowing us to have much more information about levels of acuity, waiting times, the fast-track approaches that have mixed success, the use of extended-practice nurses who are able to diagnose, prescribe, order tests, and I think increasingly find doctors comfortable giving those staff the ability to discharge. We are not quite there yet, but it is very close in Health Sciences Centre where we have a tremendous range of needs coming in, many of which are not acute, as the member knows. They are there because family practitioners no longer provide the kind of care that those folks used to get.

When we have, as has been the case this week, four of our six hospitals with nobody in the ER at eight in the morning in a hallway, everyone has a place of privacy, and are waiting for medical beds, is a fraction of what it was in the nineties. We have about 2,160 acute care beds in Winnipeg, about 2,160. I do not know the proportion that are medical, but probably about half or a little more than half of our beds would be medical beds. On any given day, we have about anywhere from 25 to 45 people admitted to medical beds each day. That is not an enormous number. We are not, generally speaking, short of beds anymore.

On the other hand, we run our system very, very tight. I think one of the issues for all us is that if you are seriously thinking about surge capacity, our surge capacity today is about 35 beds. We can open 35 or 40 temporary beds without enormous difficulty. That is not a lot of beds in a system. I do not want to have a partisan discussion on this, but there were decisions made about downsizing acute care beds, and it may be that the downsizing was too large in terms of particularly where the beds were actually totally taken out of commission and not available for surge capacity.

I think one of the things we have to think about more is how we have more surge capacity in our system. Because we have been fortunate in the last few years, our immunization program has been

extremely effective and we have had relatively mild flu seasons. Although this year was a strange one, the flu did not really start until late February, and we were still having outbreaks of influenza, not big ones, but measurable ones in May.

So part of the problem that we had recently in our ERs was related to the late flu season. We did not have a problem this year when we usually do, which is in January. If you go back and look year over year, you find that every year the pattern has been almost identical. There are pressures when people go on holidays, staff want to have holidays, there are pressures, and there are pressures during the flu season. In fact, one of the most interesting things we have is that now we have about six years of data around ER use. It is astoundingly stable. You would be expecting much more fluctuation than there is. The numbers coming to ERs rarely go below 650 or 660 a day, and they rarely go above 800. Usually, and the vast majority of the time they are in that 690, 700, 725 every day of the week, absolutely stable.

I think we now have a much better handle on where the pressures come. The problem is that, because we still have challenges with ER docs—and we are going to have that for a long time, just like every other hospital in Canada. We will continue to have episodic pressures, where, instead of having nobody in the hallway, which was the case for the best part of '05-06, there were many, many, many days when there was nobody in the hallway at all at eight o'clock in the morning. We will have pressure, and we will be in a situation where we have 7 or 8 or 10 or 5 or a number like that, and I do not think that that is going to change until we have more physician supply, and until we get more extended practice nurses who have the ability to diagnose and discharge, because the block in an ER right now is that the doctor has to see absolutely everybody. Even if all they have is a bad splinter in a finger, the doc still has to see them, whereas that is certainly something that a paramedic, a nurse, a resident could very easily deal with very safely, but they cannot currently discharge that person.

So, until we get past some of that stuff, and I know the member is supportive of the EP nursing regulation, until we get that kind of human resource labour force issue sorted out, I think we are going to always have some level of pressure. But you have to look back and say less than one per day per hospital over a year is a far cry from anywhere from 25 to 35 or 40 per day in '98, '99. So is it perfect? No. I think that we might say much accomplished, more to do. I

do not know, I have heard that before somewhere. But I think that is going to be the way it is.

*Mr. Andrew Swan, Acting Chairperson, in the Chair*

I am very proud of the work that is done in our ERs now. Our numbers range upwards, if you count Misericordia and Pan Am Clinic, they are close to 300,000 visits per year in the city of Winnipeg. That is not counting the rest of the province; that is just in Winnipeg. The vast majority of those people get seen and get very, very good care very quickly. But waiting times are still too long in some places, and in spite of diverting 24,000 patients into Pan Am in the past year, with their extended hours, we still have 200,000 people going to the six acute care hospitals. So we have added capacity, but that has been soaked up by added volume, and I think that is not much different than elsewhere.

I will just close by saying that there have been some recent studies which look at how the provinces are performing in terms of across the country, and although Saskatchewan and Manitoba are lumped together in the study, we have the best performance across the country in regard to ERs and in terms how we actually function. Ontario is in much worse shape. Québec is in even worse shape than that. Even Alberta is short of ER docs. I do not know if the member saw the article from Calgary yesterday about the feeling on the part of Calgary physicians that the cost of living there was such that they were wondering about whether they could afford to stay and practice, which I got a bit of a chuckle from. But I thought we might invite them to come to Winnipeg, the cost of living is a lot less here.

**Mrs. Driedger:** I am going to have a lot of questions about the whole ER situation, but I am going to defer them to another day and ask them when I get into to some more specific areas. But just in looking right now at priorities and challenges, because I do believe that the ER still is a huge challenge, I have some concerns with the 40 percent vacancy rate by doctors in the ERs.

**An Honourable Member:** It is 14 percent.

**Mrs. Driedger:** Well, no, 14 doctors short in the four hospitals is a 40 percent vacancy rate in those four community hospitals because 14 of 36 doctors makes it a 40 percent vacancy rate. With 80 shifts unfilled through the summer in the community hospitals, to me that puts the system into crisis. I am going to be asking a series of questions about that.

\* (11:00)

But, in coming back to what the minister said, that at eight o'clock in the morning numbers are counted, I guess my question would be to the minister, why eight o'clock in the morning? I have been a nursing supervisor on the night shift. You work all night long as a nurse in the ER to be sure that you empty out your ER by eight o'clock in the morning, so that when the day shift comes on, your day shift can start with a clean slate.

So why are hospitals reporting at eight o'clock in the morning? I have been in St. Boniface ER at eight o'clock in the morning and you could bowl in there. It is empty.

**An Honourable Member:** Is that not great.

**Mrs. Driedger:** But that is not an appropriate time to be looking and it is not an accurate reflection of what is really going on in the ERs, because through the whole night we could have had eight patients in the hallway, but at eight o'clock in the morning, most times they are all gone because you work your butt off through the night shift or through any shift to be sure that when the shift change comes, your new shift comes on with room to maneuver. It would seem to me that that is a poor time to accurately reflect on what is going on in the ERs if we look at hallway numbers.

I would remind the minister that it was his caucus, his team in opposition that made ERs the high priority it was by putting it out there and talking about hallway medicine. They are the ones who coined the phrase and took us into an election on this. All I am really wanting is some transparency in terms of what is really happening on this issue because right now the way numbers are counted it is not transparent. I do not think it is accountable in terms of how numbers are being put forward and the changes that have been made so that we cannot even accurately do some comparisons.

So I guess I would ask the minister: What is his policy on how they are counting hallway numbers? Does he agree with the fact that the ERs have been directed to count the number of patients in your hallway and then subtract it from your empty beds in another part of the ER? Does the minister agree with that kind of a policy, because then it is not accurately reflecting how this all started, the history of it or what the true picture is of what is going on in the ERs?

So does he support the policy of the WRHA in what they have directed the ERs to do and how they count?

**Mr. Sale:** Well, the short answer is yes. My information is that this has been the way that it has been counted from the time that the now opposition was encouraged to start counting.

But let us take a step back from the counting question and remember why we had a concern. *[interjection]*

**The Acting Chairperson (Mr. Swan):** Order, please. Order. The minister has the floor right now.

**Mr. Sale:** Thank you. Remember that what patients were experiencing was lying in a hallway on a gurney, usually, because the hallways were too narrow to have beds, with a number on the wall that said this is your room. The problem that people were experiencing was that they were not there for two hours or four hours or eight hours. They were there for three days or four days or six days. They spent their whole time in hospital in the hallway of the emergency area. So what the public was concerned about was the dignity and privacy of patients.

There are always in every hospital that I have ever been in, and I have not been in probably as many as the member has, but there are always patients in the emergency area of any hospital waiting for test results, waiting to be admitted. They are already admitted, but they do not have a room upstairs or wherever the beds are in the hospital. It may not be upstairs. It is simply the nature of emergency medicine that people will be waiting, preferably in a cubicle or an area with some privacy, but they will be waiting. They will be waiting for a decision as to what they need, whether they need more tests or whether they are waiting for a surgery or whether they are waiting to be admitted to a permanent bed.

The nature of emergency is a high throughput area in which emergency is dependent on the rest of the hospital's ability to free up space. So a lot of people still think that the people who wait, having been admitted in ER, they are waiting in ER. People are looking at that as an ER problem. It is not. It has got, in fact, precious little to do with ER. It has to do with the need for discharges and the availability of beds in the hospital in the right place for that patient to go, whether it is a medical ward, or a surgical ward, or a psychiatric ward or wherever it is.

So I am sure the member remembers that doctors come in the morning, sometimes seven o'clock or 7:30, or eight o'clock, they make their rounds of the existing patients in the wards and they write discharge orders or not. It is the patients who are discharged in the morning who will provide space for the person who is then counted at eight o'clock in the morning downstairs in the hallway and for the one who is in a treatment room or an observation room who is also waiting for admission. That is how that person will get admitted.

So it is not only appropriate to count at eight o'clock, that is the time of day when the pressure is highest because people are waiting for a bed. At any given day there are anywhere from 27 to 45 people in our total six hospitals, this is waiting for admission, waiting for a medical bed.

So, yes, the night shift works very hard all night to get ready for the admission of the people who have been seen or the discharge of the people who have been seen. So you have a nice clean slate, but the people who have been admitted and are waiting for admission are, unless the hospital has had empty beds during the night which is not all that common, they are waiting in the emergency area. So this represents the time of day when emergency has people waiting to be admitted to a medical bed.

Well, we have a nurse on one side of me saying, uh, uh. And we have another nurse on the other side of me saying, that is the way hospitals work. So, perhaps I should just leave the table and let the nurses have coffee together and talk about this.

I want to go back to the fact that the reason everybody got focussed on hallway medicine was because it was not one or two people out in public view without privacy and without access easily to a bathroom or any of those kinds of human dignity issues. That is what we were concerned about. So, when somebody is in an observation room as, for example, in the new CSRP at Health Sciences Centre, they will all have privacy. That will be great. St. Boniface had a rework to provide more observation capacity.

It does not mean that between '99 and 2006, there are fewer people in ERs. There are not; there are more. We are seeing more patients, but they are not in the hallways on public view, and they are not having their whole course of their time in hospital in those hallways on public view. They may be in the hall at eight in the morning, occasionally, waiting for a medical bed because the person currently in that

bed has been seen by her or his doctor and is now headed home. So that bed can be cleaned, made up and the person who has been sitting in ER overnight, either in an observation room or in the hallway, occasionally, will have access to that bed.

\*(11:10)

So, if we counted them later in the day, frankly, we would have a better result because by noon, virtually all of those people are gone. They are gone upstairs or they are gone home. The busiest time of the ER is not the morning, as the member knows; it is the evening. So people who want us to change the way we count should be careful about what they wish for because, if we counted at noon, we would have a better result than counting at eight in the morning.

**Mrs. Driedger:** Well, I am not sure where to start here because I have been an nursing supervisor for a lot of years in an ER in one of the largest tertiary hospitals in the city—[*interjection*]

No, actually, the minister is indicating things have changed.

I think, then, I would ask the minister why he does not take some time and go and visit some of the ERs. We get phone calls all the time, and I have even been around a little bit to have a look at ERs. There are a lot of times there are patients in the ERs. Sometimes a dozen, but they are not going to be counted because they are going to be subtracted from an empty bed maybe in a corner in a cast room or something because there is, you know, an empty bed there. But there are numerous patients still in the hallways. But the way the numbers are counted right now is not honest, and actually from several hospitals, nurses have even said to me this is not an honest way to reflect what is going on in our ERs, to be subtracting the hallway patient from an empty bed someplace else. So this has just turned into a political number-counting exercise and does not really reflect what is happening in the ERs.

I am appalled that the minister said he is okay with the direction that the WRHA has given to the hospitals to say that this is okay to count your numbers like this. That was never happening under the Tories. The minister is saying that counting is the same as when the Tories were in place. No. That came about under the NDP in their reign where the hospitals were directed to subtract the empty beds from the patients in the hallways. There are permanent hallway numbers now on the wall. They

are not just little paper stickies that are up there anymore.

Go into Grace Hospital, there are numbers that are put on the wall, and for the minister to say he accepts and approves of the policy of how the WRHA has directed patients to be counted, well, then, this is all just a political exercise of number counting rather than a true reflection of what is going on in the ERs. Many times at eight in the morning too it is one of the quietest times in the hospital. That is not when you will find a huge number of patients in the hallway. Daytimes are busy and noon can be humming. Evenings is a busy shift. That is absolutely correct that evenings tend to be very busy, and again there is a huge effort on evenings by midnight by the change of shift that you want to have as many patients out as you possibly can so that you can allow your night shift to come on and have a more reasonable workload in there.

So I would ask the minister if he would be prepared—but I guess if he is going to be accepting of their policy on numbers—would the minister be prepared to ask the WRHA to withdraw that particular direction to hospitals and to ask them to accurately reflect how many patients there are in the hallway and to pick times that they are going to report on that, at times where it might more reasonably reflect what is actually happening?

**Mr. Sale:** Well, I do not want to pretend to be an expert in ERs by any stretch of the imagination. Anecdotally, my daughter and I both fell on our bicycles together last year. She broke her shoulder and had some bad cuts and whatever. We went to Victoria Hospital. She was X-rayed, stitched, put in a sling—because there is not much you can do for a cracked shoulder—and we were out in an hour and a half. There was almost nobody in the ER at that time, about six, I think it was.

Norma Buchan—you probably might know Norma—is the director of the hospital there, I guess in a rotational shift, and she said, you know, it is just like that. Today we are very quiet and tomorrow we could be nuts, and we could be crazy in an hour and we will be quiet again in two hours. That is just the way it is. So we can all tell our anecdotes about what we see, but what I think is important is two things. One is that the member may argue with the counting method, but an old accountant once told me that the most important thing about counting was to be consistent and not to change how you count because you will never know then whether you are making

progress or not making progress in any given direction.

So I understand why one would say that if I have an observation room available down the hall a patient could be in that room. They do not have to be in the hallway, but maybe they are going upstairs in the matter of an hour anyway, so am I going to move them again at that point? I would just tell the member that she probably knows that when the session is on, we pay particular attention to some things which the opposition loves to ask questions about. So we get a number at eight in the morning and I can tell her without any hesitation at all that by noon that number is lower. It is always lower, and it is lower because people get discharged to personal care homes. They get discharged back home again. They get discharged to a chronic care hospital. Beds are opened up, and people who are waiting for the bed go into it.

So every shift tries to clear out the people who can be cleared out, no question about that, but I would think the member would also agree that it is not all that common to have medical beds available upstairs at two in the morning. There are usually not enough of those, and so when the discharges happen the next morning, which they do, as the member knows, that is what frees up those beds, so that people who are waiting for admission, admitted downstairs but waiting for admission to the bed upstairs, that is when they move.

The member may say this is the wrong time to count, but if she wants us to count at noon, I can promise her that we will be reporting better numbers, that, in fact, the peak time for pressure on beds is in the morning before the day's discharges have happened. You have got the night's admissions, and you have got people coming in for scheduled things, but you have not freed up the beds that are going to free up that day until somewhere around 10 or 11 in the morning when people get either discharged or transferred. So it makes all kinds of sense to understand that, from a peak demand point of view, the peak demand for beds, apart from a crisis emergency, is in the morning before the discharges of that day take place but after the admissions from the previous 12 or 16 hours have come in. I do not know how she would argue with that.

It is just self-evident that when you have people waiting for admission from the previous night, the previous afternoon or evening, and you have people being discharged in the morning, peak demand is

going to be before those discharges. So when you want to count and make the clearest determination of how you are doing, clearly morning is the right time to do it. But, if the member wants to recommend that we move to noon, we can take a look at how many will be there at noon, and I think she will be surprised that maybe that is a lot better news in terms of how many people are waiting for a bed in an acute care hospital. I just simply do not understand how the member could think that the peak demand time would be anything other than the period of the day before discharges take place and after admissions have taken place. It just seems to me to be self-evident.

\* (11:20)

**Mrs. Driedger:** I would ask that, first of all, if we are going to be reporting numbers of patients in hallways—the minister talked about being consistent. How about being honest? What the nurses were asked to do is fudge the counting, and that is where a lot of nurses are in a very uncomfortable position.

#### Point of Order

**The Acting Chairperson (Mr. Swan):** The minister, on a point of order.

**Mr. Sale:** We have had a pretty civil dialogue, and I think that is where we should keep it, Mr. Acting Chair. I do not think that it is appropriate for people to be reflecting on honesty. We are talking about methodology. I do not think that one methodology is necessarily more or less honest than another. We can talk about the merits of it, but I do not think the member should be questioning the honesty of either my ministry role or the role of my official.

**The Acting Chairperson (Mr. Swan):** Yes, the Member for Charleswood, on the same point of order.

**Mrs. Driedger:** On the same point of order, I am indicating to him this is what nurses are saying, that they are being put in a very uncomfortable position because they are being asked to dishonestly count numbers. You know, the minister can sit there and shake his head, but being a nurse I am certainly going to stand up for them and say that this policy is making them very uncomfortable.

**An Honourable Member:** That is a good word. "Uncomfortable" is a good word; "honesty" is not.

**Mrs. Driedger:** But that is what the nurses are saying, that this is a dishonest way to count and they

are being compromised in what they have to put forward.

**The Acting Chairperson (Mr. Swan):** The minister does have a point of order in terms of the language used by the Member for Charleswood, but I would like to take this chance to caution all honourable members on their language here in committee. Obviously, discussions in committee can become heated, especially when members and ministers are facing each other for several hours, but I would ask that the members keep their remarks temperate and worthy of this Assembly and the office that all of us hold.

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**The Acting Chairperson (Mr. Swan):** The honourable minister, to continue.

**Mr. Sale:** I think, actually, the member had the floor. I just raised a point of order, Mr. Acting Chair.

**The Acting Chairperson (Mr. Swan):** Indeed, Member for Charleswood.

*Madam Chairperson in the Chair*

**Mrs. Driedger:** The minister was talking about being consistent. In choosing my words carefully, I would have some disagreement I guess with the methodology chosen here, the policy direction. You know, the policy direction that was given to the ERs was to fudge how the numbers are taken and put forward. I am troubled by that, just from the position it puts the nurses in. I have talked to nurses at a number of hospitals who have a lot of discomfort with it. I will just reiterate again that I am appalled that the minister approves of that. I will reiterate again that that was not the policy under the Tories, never to be subtracting hallway patients from empty beds elsewhere in the ER. I would wonder, if we are going to continue to post numbers of patients in ER hallways, why do we not look at three o'clock in the afternoon, ten o'clock at night, two o'clock in the morning if we really want to get an accurate view of how many patients there are in hallways? Depending, I mean, if it is just going to be for political purposes to have some numbers out there now to play with because the NDP have put themselves in a corner with having the most infamous promise in Manitoba political history, to end hallway medicine in six months with \$15 million. They are the ones that have set themselves up for this and now it is being manipulated.

So I guess just from the minister's responses, he is not going to ask the WRHA to change what they are doing. But I would indicate to him that on the WRHA Web site, the posting for 2005 showed the highest numbers in about the last five years in terms of average numbers of patients in hallways. It has gone up, and they post the number of 10. So I am not sure how the minister can be saying that things have improved when, from their site, over the last several years, it has ended up with the highest number being in 2005.

But, if the minister is not prepared to change any of this, I guess we are going to be stuck with all these false numbers out there all the time and just continuing to serve a political purpose, because they are not doing any good for patients in the system, and there still are times when there are numerous patients in the ER hallways. Yes, there are times when it is empty because the nurses have worked their butts off to clear it.

But the fact of it is there are numerous occasions when hallway medicine is alive and well. It has never been eradicated and some days it is appalling still, and I will remind the minister in the past several years to the point where a patient at one hospital was put on a stretcher and moved into the public waiting room. She was dying and it was Easter time. Another patient had to lay down on a floor in a ER waiting room because there were no beds or stretchers anywhere. I can tell the minister that I continue to get calls on this or friends that have been there have spoken up.

I think that what is happening and why we see doctor shortages there and the continuing nursing shortage in the ERs, none of that is going to get resolved until we have a much, much more in-depth look at the ERs. I know in '04, this government refused to call and have an independent review of what was happening in the ERs. The government refused to have as their criteria in the task force review that all of the staff be interviewed to find out why they were so demoralized. I mean, when I get doctors telling me that there is a toxic environment in the ERs, I can understand why there are doctors who just do not want to work there anymore. I spoke to an ER doctor last night, as well, who is making more money working part time in the ER than full time in the ER, and that makes me wonder what is going on.

So I think we have a lot of ER problems and I will be coming back to this in a more substantive way as we move through Estimates. But just in

looking at priorities and challenges, I guess I am asking the minister that they need to have a closer look at what is happening in the ERs because I do think that with a 40 percent vacancy rate of doctors in the community ERs and with a 10 percent vacancy rate of nurses throughout the ERs in the city, that this is a recipe for disaster. I would urge the minister to have a closer look at putting that back onto a priority list.

The minister was talking about the fact that, if there were more beds in the system, then some of the ER problems might not be current today. Then I will ask the minister what happened to his promise in the 1999 election to open a hundred more beds.

**Madam Chairperson:** Before I acknowledge the minister, I just would like to caution, this has so far been a very productive and civil interaction. I would just caution wording again. It has been coming very close to unparliamentary and that can lead to a change in tone, so I would just caution members at this point to continue the productive interaction that has been happening. Thank you.

**Mr. Sale:** I just remind the member that eight o'clock has been the time that has always been chosen. It was chosen by the previous government and continued by the current government.

\* (11:30)

When the information technology systems are fully implemented in all of our hospitals, we will have the ability to look at any given moment of the day and know what the admission-discharge-transfer pending situation is in our ERs. We do not have that ability now unless we did it manually.

But I would stand by the comments that I have made a number of times that it seems to me to be self-evident that when a hospital discharges most people in the morning, or transfers them in the morning, the biggest demand for beds is going to be prior to that daily activity. So it makes pretty good sense to me that we would look at what the demand is for those beds at that moment of peak demand. It may not be eight o'clock, it might be seven o'clock, it might be nine o'clock; but it is going to be in the morning, before the discharges of the day.

If the member can provide some kind of argumentation that that is not the case, I would be interested to hear it. She has worked in hospitals, and I have been a visitor in hospitals, I have had family members in hospitals. They do not get discharged at six at night. They get discharged in the morning.

They get transferred in the morning. They free up the bed as early in the day as they possibly can, because that is when the hospital is demanding to be able to deal with the surgeries of that day and with the admissions of the previous night.

At some point in the not-too-distant future, we will have ER systems in all of our hospitals that will, without enormous waste of time, human time, give us information about when the peak demand is. Perhaps when we are in a different life, we will be able to go back and decide who has the truth on this one in terms of whether the peak demand time is in the morning or whether the peak demand time for beds is at some other point in the day, on a relatively predictable basis.

In terms of the number of beds that we have available to us, we have approximately 40 what might be called swing or surge beds that open and close with the pressures in the ERs. There was quite a long period in the summer and fall of last year when none of them were open. We did not need any of them. Through the flu season and most recently, we have had I think about 35 beds of that extra capacity open to take some of the pressure off the ERs. I think what we have to focus on, the member probably knows the old adage that a built bed is a filled bed. It is kind of like the field of dreams: if you build it, they will come.

So what we really need in our system is the flexibility to adapt to changing patterns of demand rather than building for peak demand, to have surge capacity that is quite easily put in place so that when we get an outbreak of flu or when we get a persistent problem of length of stay suddenly going up just because that is what happens sometimes after routine surgeries, we have the capacity to take the pressure off the ER.

But I just remind the member, I think, as she is affirming that most of what we see as an ER issue is not an ER issue. It is beds available upstairs to take those in the ER who need admission. The ER crowding is a symptom of the rest of the hospital rather than a problem in and of itself. It is not the problem. The problem is where do people go.

I do not want to go back into this old history of the numbers of physicians we lost and the number of nurses we lost and the number of beds that were closed, but those were all decisions for which we now have some consequences. We are attempting to manage those consequences as best we can by almost quadrupling the number of grads of nurses, more

than tripling, increasing the number of medical students by 40 percent, and all of those measures that the member is well aware of that have been put in place to gradually reduce the pressure.

The member makes a comment about average numbers of people in the hallways over the year 2005. I am getting that number for her, but the number she quoted is incorrect. It was not 10 on average over the year 2005. She may be misreading the Web site, or she may reading a point in time as opposed to an average number, but the average number was about half that last year. It was the lowest, I believe, or the second lowest in the last six years in terms of the total numbers of people in the hallway at 8 a.m. counted in the same way that they have been counted for years.

So, if the member wants to go back to this issue if there are future Estimates days, I no doubt will plough some of the same ground. It would be fun to find some new ground to plough, but if the member wants to continue to ask the same kinds of questions, I will probably be giving the same kinds of answers.

**Mrs. Driedger:** The minister did not answer the question. I would like to know what happened to those 100 beds that were promised in terms of being opened in 1999, and the government has had seven years now to address that. What happened to the opening of those 100 beds?

**Mr. Sale:** We are getting that information for the member.

**Mrs. Driedger:** Can the minister tell us how much the advertising campaign is for his document that is out there, *Working for better health care sooner?* Can the minister tell us the total cost of this advertising campaign and break it down to television, newsprint and the flyers, the booklet that went out?

**Mr. Sale:** The total cost of the campaign is \$259,000 and that includes \$40,000 of mailing costs—*[interjection]* \$259,000. We will provide a further breakdown that the member is asking for. I do not have that information currently here but the total is \$259,000. The mailing costs were \$40,000 so the balance \$219,000 is split between production of the actual mail-out as well as the two television ads but I cannot give the member the specific breakdown.

**Mrs. Driedger:** Was the booklet mailed to every home in Manitoba?

**Mr. Sale:** The answer is that it will be available to every household. I do not think every household has it yet but it will be available in French and English to every household. The information about the breakdown of the program, the television campaign that ran from May 1 to May 21 was \$87,000 including production. The cost to prepare in print was \$87,000. The mailing was about \$40,000. The ad agency and photography fees were about \$45,000. So that adds up to about \$259,000, \$260,000. The invoices are not all in for this yet but that is what we were given as the prices. So that is the approximate cost.

Just so the member is reminded that this money was committed in the 2003 accord that was agreed to by the previous Prime Minister and provincial ministers and premiers and territorial premiers. The commitment was to report to each jurisdiction on progress that had been made in areas covered by the '03 accord and then the '04 accord had a similar requirement.

\* (11:40)

I do not know whether the member knows the sort of history of this accountability concern, but the federal government, previous government, had always wanted to require provinces to report to them about how they spent the money that was given for a variety of programs. The provinces, particularly Alberta and Québec, took great exception to this, saying, we are accountable to our electors for the performance of our duties. We are not accountable to you. Health is a provincial matter, so we will report to our electors about how we have spent the money that has been allocated. If you want to read our report, you go ahead, and that is how we will make this data available. So a few weeks ago in *The Globe and Mail*, for example, when I was in Toronto for Health ministers' meetings, there was a huge spread in *The Globe and Mail* that was essentially an information campaign, and it actually had the new federal minister's name on it as well.

The amount of money that was committed under those two accords, '03 and '04, was in excess of \$200 million in total transfers. They were multiyear transfers, not annual, and they were time expired. They have an end point. They are not in the base. So this first reporting under those two accords is less than one tenth of 1 percent of the funds that were available to the provinces which included the requirement to do this. So I do not think it is inappropriate for provinces and territories to have to tell their citizens in a way that is consumable and relatively straightforward how monies that have been



allocated to strengthen our health care system have been used.

So all provinces are doing this and the federal government, as well, is taking part in those kinds of information campaigns. As the former Leader of the Opposition, Mr. Murray, said in response to an ad that took place in '04, he thought it was a very good ad, and that it was useful to inform people. My predecessor, the Honourable Dave Chomiak, honourable Member for Kildonan, made the comment in opposition that he supported the then-Conservative government in its advertising information campaign, and he said, I thought it was kind of funny at the time, but maybe it has come home. He said that his remarks supporting this campaign might come back to haunt him because he expected that when we formed government, we might be criticized for putting information out to the public about what we have done and where we still have got work to do. But I hope the member is supportive of this kind of information that tells people where we are succeeding but also tells people where we have got more work to do.

**Madam Chairperson:** I would just caution members of the committee to, again, address other members by portfolio or constituency.

**Mrs. Driedger:** I guess I would be much more supportive of a report that came out that was more transparent and more accountable in terms of the information that was put forward. Certainly, the information in here is extremely selective. It talks about the successes rather than going into a number of the challenges. I could zero in on a number of areas, and I will over the series of Estimates or Question Period.

But I do have one specific question because I know in the Health Accord the First Ministers agreed, and I notice it is not in here, at least not that I could see, but I know that in the '04 Health Accord, the First Ministers across Canada agreed to report on access to health care professionals, and I could just use one example which came out of the Conference Board report that we have the longest waiting times in Canada to see a specialist. Why did the minister not put that in his report?

**Mr. Sale:** Well, I guess because I could have brought the Fraser Institute's report that said we had the shortest wait time in Canada, and I do not put a whole lot of credence in either of them. The Fraser Institute is an interesting right-wing lobby group, and I have debated with Michael Walker on CJOB. I had

a heck of a good time. He is a very intelligent, combative, fun person to debate with, but he does have a point of view.

The Fraser Institute was put in place, as the member knows, explicitly to have a right-wing perspective on the world. The Conference Board of Canada is not noted for its socialist leanings, and it has never done a health report before. The methodology of that report was astonishingly bad. Some provinces, including our own, have written to the Conference Board and said, if you are going to do this sort of thing, at least use a methodology that has some respectability to it.

So, for example, their bronze, silver and gold, you know, let us talk Olympics, right? It was a cute device. A statistical difference between bronze, silver and gold in a large number of cases was meaningless. It simply did not exist. It was not statistically valid, but because there was a slight numerical difference, you got a bronze instead of a gold, or a bronze instead of a silver, or a gold instead of a silver. It was wrong both ways methodologically.

The whole notion that somehow a difference in life expectancy, between two provinces, of two months, is statistically significant is nonsense, because you cannot make any statistical validity out of that argument. But, if you want to rank them and say the top three provinces in Canada get gold and then the next three get silver and everybody else gets bronze, you can do that, but does it mean anything? No, it really does not mean anything.

So, if you want to quote that report, and, frankly, this is one area where I do take exception to the member and the previous critic, who has joined us this morning, and I welcome her here. I have no problem with us being accountable for the health status of Manitobans. We have challenges in health status. But the report was also very clear, on page 17, that from a function of the health system point of view, we function in a tie with Alberta, B.C. and Saskatchewan, tied with Saskatchewan, for third best in the country, not worse.

We have very serious challenges on health status, and the member knows why. We have a great deal of dispersed population. We have populations that are seriously at risk. We do not shy away from saying that together, all Manitobans and the federal government in particular, when it comes to First Nations, we have to step up to the plate and take responsibility in a proactive way. We are working at

that. That is why the Kelowna Accord is so important, and that is why I urged the member earlier, I do not care what you call it and I do not care what Mr. Harper has to do to put his stamp on it, but if we do not get at that question, we are all going to have consequences that we would rather not have of the kind of levels of chronic disease and health status that are not the fault of any person. They are the consequence of history and we are not going to address them unless we do it systematically and systemically.

So I put no particular credence in any think-tank's analysis of our system. What I look at is the CIHI reports, which are an unbiased professional assessment of statistics that are available in our system, the Canadian Institute for Health Information. I pay attention to StatsCan, but, frankly, I find the rest of the think-tanks, whether they are the left or the right or the middle, green, blue or white, they are interesting, but they are often simply using secondary sources and analysing them in a way to make their particular point.

So, if the member wants to quote access to a specialist, let her go and find the Fraser Institute report. We do very well in the Fraser Institute report, but I caution her on that because it is based on a sample of about 34 percent of our doctors who chose to respond. It is a voluntary response sample. So what kind of bias is built into a voluntary response sample from physicians who are busy people?

\* (11:50)

I just do not think that it helps our system to have Her Majesty's loyal opposition telling nurses and doctors and technologists and volunteers and boards that, somehow, our health care delivery system is the worst in the country, because the report itself does not say that. Nor is it particularly enormously different than any other province in the country. We all have many of the same problems. We are all working on the same issues of wait times and emergency rooms and doctors and nurses, and we are all having significant successes.

It does not matter which province you go to there has been progress made in a lot of areas. We do very, very well by comparison. But the kind of pernicious morale that the member likes to talk about earlier has sure as heck not helped by the member opposite and her colleagues saying that we run a poor health care system, that somehow our system is dramatically worse than the provinces on either side of us or farther away, because there is no evidence to

support that assertion. The member knows well enough if somebody keeps coming into the ER she used to supervise and keeps slagging the nurses because they run the worst system, and whatever, the morale might just likely be less good than it could otherwise be.

I used to have a poster on my wall when I was teaching organizational behaviour at the University of Manitoba, somewhat like a Dilbert poster, but it said: The beatings will continue until morale improves. Frankly, when you beat people up, it is not good for morale. There are real issues in all health care systems, but they are not helped by the accusations that somehow ours is the worst in Canada, because on any kind of objective analysis (a) it is not, and (b) we provide great health care in many parts of this country. There are things to learn from all parts of this country about how to make that stronger, and Canada has a better life expectancy than the United States. In fact, quite a bit better than a number of the OECD countries. So continually telling people how awful it is does not help move forward. It is useful when the member focusses on the real issues and works on those issues. I accept criticism in areas where we can strengthen our system and, indeed, we are working on those areas as the member knows.

But, continually telling the public that somehow this is the worst system in Canada is neither true nor is it productive for the very profession that the member is so proud of, the nursing profession. How does the member expect to attract and retain professionals when her party stands up day after day and puts on the record information that is factually incorrect? We have 150 more specialists than we had when we formed government. When we look at our emergency rooms, we have 47 more nurses today, not less. When we look at our number of doctors that are licensed to practice in Manitoba, we have more not less. We have 1,350 more nurses in Manitoba than we had in 1999.

Are there still problems? Absolutely. Are they short term? No, they are not short term. They are going to have to take long-term measures. I would encourage the member to take seriously her own advice, which is that you build people up by supporting what they are doing, by supporting the excellent work they did. In fact, in her introductory remarks, she was very careful to pay tribute to my officials and to line staff and to all those in the Health Department. She, even in a moment of great

charity, spoke about how difficult it is to be a Health Minister, and I agree with her, it is difficult.

So let us build the system we have. Let us focus on its problems, but let us acknowledge its successes, and let us give praise to those people in our system who provide excellent care and from whom I get letters. I do not know if the member gets letters, but I get letters thanking us for tremendous care, compassion. In fact, one of our university presidents stopped me in the hall the other day and talked to me about the care that his mother had received recently, and said, you know, if you ever need an endorsement, the care that my mom has received is quite incredible. I think that there are many, many of those stories, as well as stories where we can improve, but let us focus on a positive approach of where we can improve and not focus only on the negatives.

**Madam Chairperson:** I am sorry, the minister's time is up.

**Mrs. Driedger:** I think the minister has forgotten his language and the language of his colleagues when they were in opposition and slagging health care at every moment they could get. So I would suggest that the minister may want to go back and have a look at the kinds of comments, because what he is saying today is quite the opposite from his own behaviour when he was in opposition.

I would like to also indicate that I am quite prepared at any time to acknowledge success. I do not have a problem with that because I do acknowledge that there are successes in the system, and I do acknowledge that there are some advances in Manitoba that are probably far ahead of where other provinces are. Certainly, I am quite prepared when good things are happening to give credit where credit is due.

I would also indicate to the minister that I am not slagging front-line health care professionals ever. I am not slagging nurses or doctors or department staff because I have the highest regard for what they are doing. I think the minister has a tendency to be in a cherry-picking mode when he looks at some of the questions and how they are asked, and he takes a tiny piece of it and then twists it and then runs with it with his own spin. But I will indicate to the minister and to any front-line staff out there that it is the front-line staff who are the glue that is holding this system together, and I have the highest regard for their efforts.

What the minister does deserve, though, is our comments about his own government's direction or lack of direction in health care because they are the ones who do set the tone for what is happening within the system, or if they are directionless it reflects all the way out there and there is a domino effect. So, certainly, when I ask questions, they are directed at the minister and the actions or inactions of this government, and they are not shots being taken at front-line staff. The minister knows full well that that is true because he knows that that is not where I would go in terms of criticism because I do not for one moment think that that is where the problem lies. It lies within a lack of a plan that this government has or a lack of a vision that this government has not put forward.

I have spoken recently with somebody in a hospital, and that was pointed out to me by this person fairly high up in a hospital, who indicated that at least under the Tories the hospitals had a direction and they knew where they were going. They have indicated that under this government there does not seem to be that same direction, that there is not any road map in terms of where this government is going. This person pointed out to me that it does reflect on what is happening within the system, and if we want to look at poor morale in the system then we really need to look at, maybe as the former minister said, he had no grand scheme for health care. Well, maybe that is part of the problem in what is happening out on the front lines.

The minister has also been—and I am going to have to take a moment here, he has got me off track—but I think it is worth taking the time to say that the minister indicated that factual information was not put forward. I would indicate to the minister that, when we were talking about 100 specialist shortages, that is accurate information. It came to us via a Freedom of Information from the WRHA. So why is the minister saying that it is not factual, that we have a shortage of almost 100 specialists in Winnipeg?

\*(12:00)

**Mr. Sale:** First of all, I want to just correct the record. I used the wrong page reference in regard to the Conference Board of Canada report. I will quote from page 5, that is the correct reference, not page 17. Page 5 says, in the middle of the page, health care utilization and performance scores were somewhat surprising. I do not know why they thought they were surprising, but anyway, they did. British Columbia had its poorest showing in this

category. Its score of 34 was second lowest of all the provinces followed by Ontario and Manitoba which tied with 29 each. So that talks about the utilization in terms of availability.

When it talks about health care outcomes ranking, that is the really interesting one. That is how does this system perform. B.C., 35; Alberta, 31; Manitoba, 30; Saskatchewan, 30; Ontario, 29; New Brunswick, 22; Nova Scotia, 21; Newfoundland and Labrador, 18; Prince Edward Island, 13; Québec, 10. So in terms of what the system actually does, ranks third in the country. That to me is the measure of are we stewarding the system to perform the things it does on behalf of Manitobans appropriately or not. Can we do better? No question, everybody can do better. But is this the worst in the country? Absolutely not. It is the third best. *[interjection]* No, absolutely not. We acknowledge that the health status issues of Manitobans are a challenge and I said that in my remarks. We have a joint responsibility with the federal government in that regard, a joint responsibility with all Manitobans in terms of their fitness levels, their nutrition, their morbidity, mortality, obesity, et cetera, et cetera, diabetes prevalence and incidence.

We have a challenge there and we acknowledge that. But when it comes to does our system provide cancer care, cardiac care, joint replacement, general surgery, appropriate oncology and on and on and on, the system performs very well. I do not think these kinds of comparisons are terribly helpful. It is not helpful when the fact that a comparison is made and then it is misinterpreted to be somehow very different than it actually is. No where does it say the health care system of Manitoba is the worst in the country. What it says is that our health indicators are a serious problem. But our health system's performance is very good. Can it be better? Sure, absolutely. But is it, as the member likes to characterize it, absolutely not, and that is what is incorrect.

So let us reflect the real challenge, which is health status, and let us work together on that. Now in terms of why the specialists numbers were challenged so strongly, and I will keep challenging them, is because they were presented in a way that was understood to mean that that meant we had a shortage of specialists and that specialists were somehow less available today, because the member tabled a time series and said, you know, in this year there were X, and in this year there are X plus whatever, and in this year they are X plus-plus. So

we have more shortages and so Manitobans were being invited to believe that somehow there were fewer specialists available because they have more shortages.

I think what the member needed to say if she was really concerned about this was we have 150 more specialists today than we had in 1999, and that is good. But we still have shortages and they seem to have gotten a little bigger this year than they were last year, can the Health Minister explain why that it is. Then we would have a question that was constructed appropriately in terms of the real world. In the real world, 34 out of 42 specialities have more specialists available in Manitoba today than we had in 1999, including substantially more orthopedics, cardiologists, anaesthesiologists, all of whom are the most critical specialities we have. They are the ones where the most pressure is on the professions and on the system.

So I think that if the member wants to talk about retention rates, we could look at other provinces and look at other Web sites of Colleges of Physicians and Surgeons. We could see whether our retention rate is different from other provinces. I do not have any sense that it is, especially given our ability to attract world leaders: Dr. West in our neurology team, which is a tremendous success, our oncology teams and our orthopedics team.

I do not know whether the member is prepared to acknowledge the enormous success of our joint replacement strategy where we are doing a thousand more this year than we were a year ago, and where Concordia is doing as many as 16 a day now, using the innovative methods, the physician-assistants, the dedicated teams and the specialized ORs that were put in place. It would be nice to see an acknowledgement on behalf of the teams of staff that have produced a thousand more hips and knees with no more doctors than we had a year ago and no more ORs but essentially much better stewardship of resources, much more effective patterns of behaviour. That is why I will continue to push the member to put in proper perspective the legitimate concerns she might have about retention and not to lead Manitobans to believe that there are fewer specialists today than there were in 1999 because there are not; there are 150 more.

**Mrs. Driedger:** The minister certainly took the question and interpreted his way. I think it was very clear. The question had been to the minister: Are we short almost a hundred specialists? Well, we are.

The minister, when he did his answer, actually I would ask him to construct his answers properly instead of saying the member has her facts wrong. The member did not have her facts wrong. The member had an FOI, so, if the minister is getting touchy about the question, maybe he needs to be a little touchy about his answer, too, instead of personally attacking the person asking the question by saying she has got her facts wrong. I did not have my facts wrong. We do have almost a hundred specialists short here. We are almost a hundred specialists short in terms of a particular document. The minister got a little bit sensitive, I think, and then went on a rant and then went on an extraordinary spin job, as we are seeing with this government more and more lately, especially since we got a new leader.

There are a lot of personal attacks going on in the House that never happened until the last few weeks, and it is ramped up. I do not know if there is a direction that has been given to all of the ministers when they answer that now you should go on personal attacks and try to, if you can, yell your answer loud enough, then just personally attack the person that is asking them, because that has become quite a trend and very noticeable in the last few weeks, and that does not serve any good purpose either when the opposition is out trying to do their job of opposing and trying to ensure that you have a better government because the right questions are put forward. So, if the minister wants to ask for factual information, I would ask for factual responses, but also the personal attacks do not serve any good in any of this either, because, you know, through the Freedom of Information documents on specialists shortage, it shows an increasing number from something like 79 to almost 100. I mean, that is a fact, so while, yes, we may have more specialists here, we also are seeing an increased loss of specialists and that is a fact that was given to us by WRHA.

So I would ask the minister that, when he is looking at what he puts forward, he might also look at putting factual information on the record. There are a number of questions related to this document, too, that he put out that, I guess, we could be challenging him on, on the missing factual information that is not in here. I will get to that at some point, but I would ask the minister to comment on his view on the Health Council of Canada. I mean, he has just indicated that the Fraser Institute, he has got no use for them because they do not put

forward factual information. The Conference Board of Canada, does not have any use for them because they do not put forward factual information. What is his view on the Health Council of Canada?

\* (12:10)

**Mr. Sale:** Before I comment on that question, I just would let the member know that in the three months for which there was actually information in 1998, because these numbers were not counted before then, the average number of admitted patients in ER hallways was about 28 in that year. In '99 it was 13. This year it was five.

**An Honourable Member:** That is because we were honest about the numbers. We did not fudge them.

**Mr. Sale:** Oh now, now, now.

**An Honourable Member:** That is true. We counted them.

**Madam Chairperson:** Order. Order. The minister has the floor.

**Mr. Sale:** Five this year which is less than one per day and that goes up and down. There were three months of flu last year: January, February, March, we averaged 11 a day. That is under two a day, but still higher. But for the next nine months, it was: 4, 3, 3, 1, 1, 3, 2, 3, 3 for those nine months, average number of people in the hallways at 8 a.m. every day.

Now one can talk about whether these numbers are counted the way the member would like or not. The important issue from a counting point of view is do not change how you count. So they have been counted the same way since, as far as I know, since we formed government.

So I have no idea whether the member thinks we should count at noon or at 2:31 in the afternoon or 1:37 a.m. in the morning, but the important issue is counting the same way year-over-year, so that you can measure whether you are going in the right direction or not. I would say that pretty clearly less than one a day at 8 a.m., given that the peak demand for beds is in the morning, is a pretty good record. I would like it to be zero every day and I think when the CSRP is open at Health Sciences, we will have significant capacity.

We have two ER renovations, well not renovations but rebuilds, currently in process at Seven Oaks and Victoria and those will significantly increase the throughput capacity of those two ERs.

Changes have been already made to St. Boniface. There is some modest work to be done at Concordia. Grace does pretty well. It is the least busy of our ERs in terms of numbers of people in the hallways. It basically has done pretty well in the last year, most often having zero in the hallway on the same consistent basis that it has been counted for a long time.

So I think the most important thing, though, is not actually the facility. It is the fact that across Canada we have only 500 emergency doctor specialists of which we have 19, which is about our share. We have the same number of equivalent full-time docs as we had in 1999, about 69. So it is not an issue of whether we have fewer, we have more people coming in, so we have more pressure. We have doctors practising differently than they practised in the past, and we are still playing catch-up in terms of adequate numbers of grads.

We have increased the number of nurse practitioner trainees, but it takes a while to get an extended practice nurse able to take on the responsibility of a busy emergency, and we are doing that as fast as we can as well. So I think that is the numbers she asked for.

Now, in terms of the Health Council of Canada, Health Council of Canada is a body that was put in place by eight of the ten provinces following the 2003 accord. Québec did not take part and Alberta is clearly not taking part in it. I think it is a useful body in terms of citizen representation.

The difference between the Health Council and Fraser Institute or the Conference Board is that the Board of the Health Council is regionally representative, represents all provinces and territories, and is very carefully constructed to represent a knowledge base about the health care system.

The Fraser Institute, the Conference Board, Howe Institute, et cetera, are not specialized in health issues. They are boards that do a huge range of reports. They have no particular board or staff competence in the specific area. They often hire contract staff to do reports in specific areas. So I think the virtue of the Health Council of Canada is that it deliberately represents all provinces and territories and, secondly, that it represents a competence in the health care system, which is not characteristic of the boards of other think-tanks.

**Mrs. Driedger:** I just have a final question related to that and then I will turn the rest of the questions over to the Member for River Heights (Mr. Gerrard).

With those comments on the Health Council, the Health Council has indicated, through comments from Ottawa, that the provincial and territorial governments are not keeping their promise to account for billions in health funding allocations by the former Liberal government, and they are saying it is not clear where the money is going, says the council created to monitor implementation of the first ministers' accords.

What comment would the minister have related to, then, what the Health Council is saying, that the provinces are not keeping their promise to account for billions in health funding allocated to them?

**Mr. Sale:** Well, I would give the same answer that was given by my predecessor, and that is that when there was an accounting of how Manitoba spent its dollars a couple of years back, we absolutely were able to both satisfy ourselves and our electors, and by publicly accounting Ottawa, that every single nickel that had been spent from federal allocations had been spent appropriately on the primary care transition fund and on the medical equipment fund, that there were no lawn mowers purchased in Manitoba out of the medical equipment fund.

We can more than easily show that the total dollars allocated for new equipment substantially exceeded the dollars spent from the federal government in that regard. We have put a great deal of money into medical technology, diagnostic imaging technology, and we have accounted very clearly for every primary care transition fund dollar that was spent.

If the member wants to go back in history and get that accounting, she is absolutely welcome. We will find that for her, but I can also tell her that of the \$155 million of the wait list money, approximately \$9 million of it is recurring long-term funding that is in the base now. It is in the transfer from Ottawa and it continues after the fund itself expires. So \$45 million of that \$155 million is essentially base funding now, and that accounts for a great deal of the increased volume in hips and knees, as well as the increased diagnostic, radiological and oncological work that has been done. Again, if the member wants an accounting of that, we can provide that for the last fiscal year that has just been finished once the accounts are closed for that year.

We also publicly said where we were allocating the dollars. We reported that in I believe it was early December, late November, when the wait list announcement was made, which allocated the monies to the five priority areas, plus four Manitoba priorities, and also included a contingency fund which is not yet allocated, because we wanted to have the ability where we found successes, as in the hips and knee area, for example, to build on that success, and if we found areas that were not being effective, to reallocate from those areas to ones that were.

But the member is simply wrong to suggest that any monies that have come from Ottawa for purposes of strengthening our health care systems have not been spent on those systems. If the member can quote anything from that report that points at Manitoba, then I would invite her to do so, and we will very aggressively refute any allegation that we have not spent money allocated by Ottawa.

\* (12:20)

In fact, she should remember that, in Manitoba, \$4 out of every \$5 spent on our health care system comes from our-source resources. It does not come from Ottawa, and, in fact, that fell at the end of the Liberal time in government, before the accord of 2004, to 14 percent. We were spending 86 cents of every dollar from provincial sources which, of course, included equalization, obviously. But every single dollar that we spent on the health care system was an 86.14 dollar at one point. It is now about an 80.20 dollar at this point. So do we spend every nickel that the federal government gives us on health care? We spend a whole lot more nickels than that on our health care system in terms of the diagnostic equipment fund, medical equipment fund and the other specialty funds. No problem accounting for much more than Ottawa gives us or gave us as those funds are now expiring.

**Hon. Jon Gerrard (River Heights):** I have some questions about the procedures and how things are working in terms of reporting of critical incidents or medical errors. Clearly, it is important to improve the quality of the health care system and to have such errors reported, and, indeed, the act allows for reporting by people who feel that they have had a medical error or a close family member.

My first concern is that the process is not user friendly, and I would cite as an example, on the department's map it would be nice to have a place that was easy to find, that people could go to if they

felt that there had been a medical error, that would explain the process and how the reporting is made. I mean, right now there is nothing on the front page. It is not at all clear on the site map where you might go or if there is anywhere to go, and on the index there is nothing there that would even point one in the right direction. So that would be my first comment.

The second comment would be that when it comes to the reporting of critical incidents or medical errors right now it appears to me that such medical errors are getting reported in some cases as issues to the College of Physicians and Surgeons, in some cases to hospitals, in some cases to RHAs, in some cases in letters to the minister. It is pretty important that wherever they get reported that they are fed into a common system so the data that comes out is accurate.

I would like the minister to comment.

**Mr. Sale:** I thank the member for that question. I think it is a very important question, and I do not have with me the specifics of where we are in numbers at this point, but as the member knows the whole purpose here was to create a zone of safety for staff who might believe that something untoward had happened, that was unnecessary, avoidable, had serious consequences for the patient.

So I think that the member will find that in every health facility there is a staff policy—in most facilities, gazillions of policies—but basically there is a policy process for dealing with critical incidents that has been made well known to staff and for which they have been supported and trained so that they know how to report a critical incident. They know that they are safe in doing so and that nothing can come back on them for making that information available. Now, there is also in every facility in Manitoba a patient process of reporting on behalf of patients or by patients of things that they have questions about and do not feel was proper. They are not caregivers but they certainly are the people things happen to, and there is a process for that kind of reporting as well.

So I think the member has asked an important question about whether there should be information readily available on our Web site in this regard. I will ask my staff to examine that question. I had not thought about that as an issue. I think it is a useful question to see whether we should make more available to the public information about how critical incidents legislation functions, and what the procedures are for review, and what the protections

are and what the rights are because, as the member knows, we have to, at the same time that we provide protection for people, improve our patient safety by reporting critical incidents and thereby allowing us to see whether we could strengthen what we do. At the same time, we have to preserve the rights of patients and their families to due process under law for actions which may have been improper or negligent. So these two things have to be held in some kind of constructive tension. So that is why the legislation and the regulations are drafted the way they are. But I take the member's point. I think it is a useful point, and we will examine it.

**Mr. Gerrard:** My point fundamentally is that I think that the system right now is not working well although, in theory, it has been set up that it should work. The problems are multiple, but because you have each facility, what have you, if somebody comes to a doctor's office, does somebody report? Who do you report to? To the College of Physicians and Surgeons? To the RHA? To the Minister of Health? Where does it go if it is something that was a medical error that occurred in a doctor's office, not in a hospital, for example?

I think that the second point I would make is that in some of the concerns that I have heard raised with me, you are dealing with complex situations and, in fact, as you dissect what happened to a patient, it looks to me as if there were, in some circumstances, several errors made which cumulatively caused the major problem. It would seem to me that each of those errors should clearly be reported individually as an error and counted individually as an error.

I think that one of the things that is very important is that when an error is reported by somebody who is not within the system, I think it should apply the same for somebody who is a nurse or a physician or whoever within the system, but there is an assessment of whether or not this is in fact considered a medical error or a critical incident according to the legislation.

Well, the letters that people have been getting back say, we have reviewed the problem, and this is what we are doing, and so on. But there is no acknowledgement of whether it was considered a critical incident or not or which one of the several problems that occurred were considered a critical incident. There needs to be feedback from the people who make a report. First of all, that the report has been received as a critical incident report, and second, that when the analysis has been done that

this has been accepted as a critical incident or not, so that you actually have feedback to the people who have raised these issues. In this way, then we can work toward a system so that we will actually have in essence a province-wide report which can be reliable and useable. So I hand it back to the minister to comment.

**Mr. Sale:** I will be brief. The member, I am sure, knows that the changes to require a critical incident process are to The Regional Health Authorities Act not to acts that would pertain to a physician's office. The process of dealing with complaints is different if it is in a physician's office. The regional health authorities have a responsibility because of the system nature. In terms of The Medical Amendment Act, this act which is now before the Legislature, and I think the member is aware of it, provides protection for a physician who reports an error on the part of another colleague or a suspected poor practice. So I think that we probably will need to come back to this. I take the member's concerns.

I would want to just correct an error I made earlier. I think I referred to Dr. West and his team, and it should have been Dr. West and her team. *[interjection]* Sorry, am I making it worse?

**Madam Chairperson:** That is what you said was "her".

**Mr. Sale:** Did I say Dr. West and her team? Okay. Then I had it backwards. I am correcting it the other way.

**Madam Chairperson:** The hour being 12:30 p.m., committee rise.

## TRANSPORTATION AND GOVERNMENT SERVICES

\* (10:00)

**Mr. Chairperson (Conrad Santos):** This section of Committee of Supply has been dealing with the Estimates of the Department of Transportation and Government and Services.

Would the minister's staff please enter the Chamber.

**Hon. Ron Lemieux (Minister of Transportation and Government Services):** Mr. Chairperson, there is just a question as to what staff, because it is Transportation and Government Services so we were just discussing with the members opposite whether or not they want Government Services first or Transportation.



**Mr. Chairperson:** Is there any understanding now among the members of the committee? Government Services first. They are both here. Okay.

The honourable minister will please introduce members of your staff.

**Mr. Lemieux:** Deputy Minister of Government Services, Debra Woodgate; Mr Rochon, who is our financial person; and Mr. Bawden, who is Acting Deputy Minister of Government Services; and Mr. John Hosang, who is an ADM of Transportation are here. We have representation from Government Services and Transportation here so whatever question we have, whether it is Transportation related or Government Services, we can answer either one. Thank you.

**Mr. Chairperson:** The floor is now open for questions.

**Mr. David Faurshou (Portage la Prairie):** I appreciate the opportunity this morning to ask questions in the area of Government Services.

A major expenditure announced in Portage la Prairie with the redevelopment of the Manitoba Developmental Centre. I wonder if perhaps the minister could give an update as the press release indicated that there was going to be expenditure of about \$40 million over the next 10 years to redevelop that facility in Portage la Prairie for persons afflicted with brain injury. I wondered as to the nature of the plans and expenditures to date.

**Mr. Lemieux:** For the benefit of the people who are here in the gallery, it is an occasion where the opposition gets an opportunity to question the minister in a particular department going through the Estimates of a minister's budget, and they get an opportunity to ask questions related to Transportation and Government Services today. All departments have to go through this as well as Executive Council and the Premier (Mr. Doer). So the opposition gets a chance to ask a minister or the Premier questions related to their particular budget.

Just to answer the question from the Member for Portage la Prairie, or try to, the Manitoba Developmental Centre has a number of cottages. We have put some renovations into—part of this announcement was doing some work with regard to electrical and upgrades, enhancements to this particular centre. We continue to do that. The amount that was put out is a number that—we are certainly not certain if we are going to be spending that amount, but this particular project is something

that—and, I do not know, I am not sure if the member opposite to ask questions of the Minister of Family Services and Housing (Ms. Melnick).

As you know, Government Services is responsible for leasing or enhancing structures or renovating structures. This particular centre, the Manitoba Developmental Centre, is under the jurisdiction of Family Services, so any specific questions probably should be directed to the Minister of Family Services, either in her Estimates, or if they are over, in concurrence if that is the case. Thank you.

**Mr. Faurshou:** I do appreciate the minister's position that the programming does take place through another department. I do know, though, that Government Services really is the department that is responsible for the construction and planning stages in co-operation with the other departments that will operate or provide programming.

So, if the minister could be just a little bit more specific as to whether he sees that there is going to be spades in the ground for the new community-living type of facility that was announced to house residents of MDC.

**Mr. Lemieux:** As I mentioned before, work has been started, and I am not sure if it has been completed or not, on one cottage. There are a number that need work. We know there are access concerns. There are concerns related to outdated electrical, and there are a number of safety and fire concerns that we have for the residents who are there. That is what is being tackled and that is what is being addressed right now. Thank you.

**Mr. Faurshou:** I appreciate that, Minister, and we will move on. I wondered if the minister had any consideration towards the updating of the cottages at the Agassiz Youth Centre or any of the amenities that are at that facility. Is there any projected major redevelopment planned?

**Mr. Lemieux:** Again, I am more than pleased to answer any questions from members opposite, but when it comes to programming and things like that, the Minister of Justice (Mr. Mackintosh) probably would be the better one to address that. I am not sure if Justice has any plans with regard to Agassiz or any other renovations that they may want to look at at their type of facilities.

\* (10:10)

**Mr. Faurshou:** Yes, I realize the programming is there, but has Justice asked for any major redevelopment for that facility, recognizing, too, that the facilities are over 60 years old, and there is a fair amount of concern as to renovation and potential new construction for that facility.

Have any requests been made of Government Services in that regard?

**Mr. Lemieux:** Well, currently, Government Services traditionally have had a plan, and we continue to do that on normal maintenance of facilities that we have. The case with Agassiz currently is that officials from the Department of Government Services and, of course, Justice people would collaborate or consult with each other with regard to whether it be electrical or lighting or whatever changes needs to take place. Currently, that is all that is taking place, just the regular maintenance type of work that has traditionally taken place.

**Mr. Faurshou:** Specific to the upkeep of the facility, there are Government Services personnel on site that had previously had the benefit of extra hands to do their maintenance work, that being individuals who have been incarcerated at that facility. There was some concern, and I do not know as they still have the benefit of the youth from the facility assisting Government Services personnel because there was a union issue dealing with the personnel that could have been considered that they were in an instructional role now and that the classification of the journeyman workers, Government Services personnel, should be compensated at a higher degree because of their instructional and responsibilities when having two or three young men working with them. Do they or do they not have the benefit of working or having some youth assistance?

**Mr. Lemieux:** Yes, well, regrettably, I am going to have to take that as notice just to check to find out. I have been advised by staff that they are not certain as to whether or not—well, let us use the example of cutting grass or something like that. I think that is what the member might be referring to, I am not sure. But, we are not certain whether or not that continues to take place or whether they still do that or not. I certainly can get back to the MLA for Portage la Prairie as soon as we can.

**Mr. Faurshou:** Yes, I know that personnel had in the past the benefit of young men helping them out doing some painting, not necessarily grass cutting, but pulling wire when doing electrical jobs and

carrying the tools, for instance, and going as far as carpentry and wood materials.

I want to ask the minister on another front, there is a major construction going on with a new facility for the Portage Credit Union. They are right across the street from the government building. I know the Credit Union has been talking about how to actually fashion the new parking for that facility. I know the current government parking lot is between the two buildings. I wondered whether it had ever been discussed between the department and the credit union as a potential shared parking garage. Like, it is only street-level parking at the present time, but I know that there have been concerns raised by residents in and about the area and other businesses about government employees taking up street-front parking on neighbouring blocks.

So this may be the opportunity to sit down and have a discussion with the likes of the Portage Credit Union and a potential multilevel garage being constructed.

**Mr. Lemieux:** Well, thank you for the question. Just to conclude the questions with regard to young people working at the Agassiz Youth Centre, I gather from the questions coming from the member opposite he thinks that they should be allowed to cut the grass and work around the facility. But having said that, we will find out the answer on what is going on at the facility.

With regard to the parking lot, I do not have those answers at my fingertips for specific questions like that, but I certainly will find out. We are certainly open to providing any information. To the best of my knowledge, and what I have been advised, that there have been no in-depth discussions with regard to sharing a parking lot. At this point, I am not even certain whether there is enough space even for government employees in that particular spot. They are probably looking for extra parking themselves. So, I am sorry, I am going to have to leave the answer at that. I am not privy to any information with regard to negotiations or anything else on making an underground parkade or a larger parkade.

**Mr. Faurshou:** I just want to leave with the minister, if he will, to consider collaboration with an entity such as the Portage Credit Union for the benefit of all in this regard. I hope that is not out of the realm of discussion for the benefit of everyone concerned because, I know, if you wanted to go it alone, it is perhaps rather costly and I know the Government Services has not been in the parking lot

business. They would rather leave it to the employees to find their own parking spaces, and just tend to the government vehicles as far as that is concerned.

**Mr. Lemieux:** Well, Government Services and departments within government are certainly open anytime to talking to any private corporation or anyone else, for that matter, in shared services or wanting to take a look at. It does not mean that we automatically agree and say yes, we are going to do it. But to have those discussions, I would think that most, if not all, departments are open to those kinds of conversations to take place to benefit all the citizens, especially in a smaller community. You have a lot of communities that are always looking for parking space around government buildings, and often there is a lack of parking in most communities that people are often looking for.

Of course, credit unions, we are always pleased to work with credit unions at any time. So the answer is that if the people in the credit union are interested in building a parkade or an underground parking garage or a different kind of parking system, I would say, yes, the department is certainly interested in talking to them. That does not mean, yes, we are going to do it. You have to look at the cost and the benefit that would be accrued by government employees, of course, that need parking space, as well. But certainly we are open to that, open to talking to the credit union. I hope the member knows, and I am sure he does, that this is not any kind of a yes, to say yes, let us go ahead with it. It is just that if people want to talk about it, let us explore and see what kind of benefits might be accrued by both. Thank you.

**Mr. Faurchou:** The minister is bringing his skating abilities to the political arena. I recognize that it is something that perhaps the minister could comment. Is there any other template of shared services in the province that the credit union could maybe contact that would give them some guidance as to how they might come forward with a proposal?

**Mr. Lemieux:** Well, the size of communities that we have in Manitoba, I would think, for most cases, parking is not a real major concern. But we certainly can find out if there is any collaboration taking place between a government entity that we are certainly responsible for under our purview, and other communities. We will look into it and find out, and certainly be willing to share that, if we are, indeed, in

partnership with someone else and will allow us to share it. We certainly will.

\* (10:20)

**Mr. Faurchou:** Some of my colleagues may feel parking is, perhaps, a little bit lower down on the government's list here, but I will say, with your announcement with the land assessment branch adding, I understand, 40-plus more employees to this particular facility, I am a resident that is only two blocks away and there are lots of times it is very difficult to even get out of my own driveway because of on-street parking. It is for the residents of the area and for businesses, persons trying to keep parking space available for their customers to come in. We see government employee parking all over the centre of Portage la Prairie. So I do believe that it is a shared responsibility of the City and of the government of Manitoba to see that their employees have a place to park their cars. I will leave that and if you could—just as I have mentioned, you have made an announcement that the land assessments branch—is there a timetable on the movement of personnel?

**Mr. Lemieux:** Well, I do not want to downplay parking. People in Winnipeg and people in the gallery and people listening to this will understand that parking is important when you are trying to go to meetings or you are trying to go to work and you need a place to put your vehicle for those that commute or otherwise. Of course, it is a priority, but what I was saying to the member opposite is that the particular details in relation to partnerships that we have, I am not privy to that but we will find out.

We also made a commitment to talk to the credit union, for example, or indeed the City of Portage la Prairie. I know that Portage la Prairie is booming, like many other communities in Manitoba right now, and I can understand why there is a lot of traffic through Portage. There is a high energy and a very positive feeling in Manitoba about the economy and where we are going. I can understand why there is a lot of traffic going through Portage. It is a booming city.

**Mr. Denis Rocan (Carman):** Mr. Chairperson, just picking up on the comments made by the Member for Portage la Prairie (Mr. Faurchou) and indeed the response by the minister responsible, I am hoping the minister will quantify or explain to me the media reports, I guess, in fact, raised in this House, where this administration is centralizing different departments, removing them from particular communities, and the one I am referring to right now is Neepawa

where they are centralizing, I believe this would be the Department of Conservation, into Portage. Would it be this particular building that the Member for Portage is referring to which is adjacent to the credit union?

So would the minister or the department, while they are working in conjunction with the Department of Conservation to make this move and making office space available, would you, at this point in time, know if there would be enough parking for all the employees that you say will be coming to Portage? Because indeed in your own words, Portage is prospering and growing. I guess it will be growing immensely if you start centralizing all the different departments into Portage. Have you taken this into account, and, indeed, the proposal that the Member for Portage makes reference to where there be a partnership if the credit union would work with the government to put up a particular parkade, from what I understand?

So I would ask the minister: Would you be aware of how many different warm bodies, if you will, will be coming into Portage with the centralization of all these different departments?

**Mr. Lemieux:** I thank the member for the question. If I could go back, maybe two steps. I will try to be brief with regard to the Crown Lands special operating agency. This was created, and the initial announcement was to move employees from Minnedosa and Neepawa, working for Conservation and for Agriculture, into Portage la Prairie. Portage la Prairie is still a rural community, albeit it is an urban-rural community, but it is still in rural Manitoba. We are also looking at moving some positions out of Winnipeg into Portage la Prairie, but none of the current 55 positions would be cut at all and that is absolutely clear.

Let me just say that the reason for that move, and I just want to clarify this for members opposite, is that the Crown land—this particular agency was created as a result of a number of things. One was the Auditor's report. We want to make sure and ensure that there is fairness and transparency and accountability in this particular agency. The rationale was that if you have it all under one roof, that people would not be working within silos and they would be able to interact with each other and work with each other, especially the clerical function that takes place with regard to these positions. So none of the positions are going to be cut as a result of any kind of a move that has been proposed.

We have had discussions with the mayor and rural municipalities, as well as the mayors of Minnedosa and Neepawa, with regard to this particular special operating agency. They were trying to make the case that using modern technology and different technology overall that employees have at their disposal these days, that it is possible to possibly leave some people in Neepawa or in Minnedosa and they would still be able to do their jobs.

Some people are remaining actually in Minnedosa and Neepawa. Not all of them are moving, but currently we mentioned to the mayors that we would look at their suggestions. When I met with them in Neepawa, I brought those suggestions back that they passed on through me to my colleagues. By my colleagues I mean the Minister of Agriculture (Ms. Wowchuk) and the Minister of Conservation (Mr. Struthers), and we have had the opportunity to look at them. We are still reviewing those to determine whether or not the move would take place in its entirety, except for the people who were designated to stay in Minnedosa and Neepawa.

Currently, as I mentioned to the media and others, the move itself as of today is still taking place. The exact date of that particular move, which I have to congratulate departmental officials in this, is that they have really taken into consideration the jobs and the positions of people that are located in those communities. Being a rural MLA myself and being from rural Manitoba and having lived in rural Manitoba almost all of my life, except for a brief period in the United States, I have some appreciation of what those jobs mean to those particular communities. But the provincial auditor certainly wants fairness and transparency and accountability and ensure that this agency is operating in a cost-effective way, and we are going to ensure that that happens.

So the long and the short of it is with regard to timing as far as moving right now. Many individuals have been informed that the move, even though the agency came in place April 1, the jobs were not being located in Portage la Prairie as of April 1. We gave people some notice because we wanted people to have the opportunity if they had to move children to school and to get ready for the fall of '06, this current fall, there are other things that the department has to work through in order to determine when those positions would actually move.

My understanding is that a number of the individuals there, some of them that have spouses that either have farms or other jobs in Minnedosa and Neepawa, are currently looking at other employment opportunities within the provincial government, using their seniority to obtain other jobs, which is their prerogative. If that is a decision they want to make and they did not want to move with their position to Portage la Prairie, they are certainly entitled to do that.

There are a number of positions located in Brandon or areas close to Neepawa and Minnedosa that they may want to obtain other positions in the provincial government. That is certainly their prerogative. But, as it stands today, as I mentioned to the media recently, that decision to make the move to Portage la Prairie, that has not changed, even though we are looking at the arguments that they have made and suggestions that they have given to us.

\*(10:30)

So the positions that the MLA for Portage la Prairie is talking about, or at least the parking positions in that particular building, he is correct in the sense that there would have to be renovations or other locations looked at to be able to house the staff that would be moving, or the positions that would be moving to Portage la Prairie. At least that is what I have been advised.

As far as we know, this will take some time to be fully operational. We think that the Crown Lands special operating agency is a very important move, and we hope that the members opposite concur with this special operating agency because of the fairness and transparency and accountability we are trying to get from this particular agency. Thank you.

**Mr. Rocan:** I thank the minister for his response. The minister in his reply makes reference to the Auditor, transparency, accountability, and I do not think we want to get into the viability of the centralizing of these different departments into Portage now.

But I guess the question that I would have: Would this same agency that the minister makes reference to, is it leaving behind, if you will, particular properties of the Department of Agriculture, Department of Conservation? Were they stand-alone offices, if you will, in Minnedosa and Neepawa?

**Mr. Lemieux:** Well, there are two points that I would like to make and I will try to address the question at the same time.

There is no centralizing policy of government. I have heard that term used a few times over the last couple of weeks, that there is some kind of a centralizing policy on behalf of the government. There is no centralizing policy. I mean, the government in the 1990s made a huge issue of decentralizing and moving positions to rural Manitoba which was their prerogative, but there is no centralizing or centralized approach to government. There is no policy or change of policy. I just wanted to clarify that because in this particular case it is one agency, a special operating agency, where it was recommended, and members opposite, the MLA for Ste. Rose and the MLA for Minnedosa, agree that the special operating agency for Crown lands is an important thing, and it should go ahead.

Well, there are positions that need to go there to make this work, and the fact of the matter is that when people are looking at permits or leases and they would have to deal face to face with the land people, those people will still be in Minnedosa and Neepawa. There are people remaining there. It is the people who once the permits or leases are obtained—it is the clerical staff. Those positions are the ones that are going to be moved to Portage la Prairie. It is the clerical component.

There are a lot of synergies that can happen as a result of having all the clerical people in one building, because if there is a huge overflow in agricultural issues, then you can have people who are able to work who traditionally maybe have just done conservation work but now are also able to do the leases or the permits that are related to agriculture or vice versa when there is an overflow of work at any particular time of the year.

So, instead of people just being in their silos and just doing strictly agriculture, strictly conservation work, there is an opportunity here through a special operating agency that they can handle overflow work in a different area. So it is primarily the clerical people who we are moving to Portage la Prairie, at least those positions, and then the people have an opportunity to move with those positions or not.

So I guess the point that should be put on the record, which I made to the two mayors of Minnedosa and Neepawa, are the benefits to Manitobans. Really, there are three major ones. One is, as I mentioned, about overlap and duplication.

Right now, three main functional areas exist in each of the four offices in a consolidated environment, work and people can be organized better by consolidating the functions and streamlining processes to create efficiencies over time. We are not saying that this will happen overnight, but it will definitely happen with people working together.

For service, the consolidation of the offices by allowing for one-stop shopping for anyone interested in Crown land rentals or purchases regardless of land use, that can happen. We talked about the openness and fairness in transparency also of being very, very important to coincide with what the provincial auditor had wanted.

So there still are people going to remain in Minnedosa and Neepawa in the particular buildings that they are in. But, the clerical functions, that was the proposal that came through, and those positions were the positions that we are going to moving to Portage la Prairie. Thank you.

**Mr. Rocan:** Again, I think at the outset when we first started Government Services this morning, the Member for Portage was asking questions with respect to Justice, I believe it was. At that point in time, the minister responded by: Well, I do not want to get into policy; I do not want to be talking about a particular department other than my own; If you have questions, they should go straight to the Minister of Justice (Mr. Mackintosh).

Now, I simply asked a question about buildings or properties that we were not going to be utilizing in Neepawa and Minnedosa, and the minister goes on and he is trying to explain to me who is staying, who is not coming, who is moving. I do not believe we are here this morning to talk about HR resources to do with the particular departments of Agriculture and Conservation.

I think the question was very simple, Sir. All the question was, I mean, if we have a building out in Neepawa or Minnedosa that had space for, and I do not know these buildings, if they had space for 10 people and eight of them are leaving, that is cool. If we downsize it, and you say, well, we are leaving two individuals that would be there in the case that somebody wanted to get a permit. That is cool. That is not the issue with me.

The issue is this agency that you talked about that we are discussing, here and now, is it viable, according to and using your terminology, by the Auditor, that we are being transparent and that we

are accountable? All I am saying, if you have an office there with 10 offices and 10 people are staying in them, is this what we call being transparent? That was the entire question. I am not into handpick and Justice and Agriculture. I am not into that. That is not what we are doing here, sir. All we are doing is talking about the agency. We got going on here, if you recall now, because the Member for Portage was talking about a particular piece of property that was between two facilities, and he was just wondering if you and/or the department were open to somebody coming into some kind of an agreement with the department to help build a bigger structure to put more parking.

So the question simply was, if we have this many people coming, could we look into it? It is all we were doing. Again, we are not into this HR. I mean, it happens, it happens, for whatever reasons. The ministers will defend their actions. That is not our role here this morning, sir. Do not feel like we are attacking you and that is what we are trying to do, because that is not where we are going.

**Mr. Lemieux:** Yes, we are open to discussions.

**Mr. Chairperson:** The honourable Member for Portage, you should be in your chair.

**Mr. Rocan:** I wonder if we could get an agreement to allow the Member for Portage (Mr. Faurchou) to sit in the chair of the Member for Southdale (Mr. Reimer) because I know we have to get leave to move down to the front, and all I am simply asking, if it would be agreeable, that we could have the Member for Portage sit here.

**Mr. Chairperson:** Is that agreeable to the committee? *[Agreed]*

\* (10:40)

**Mr. Faurchou:** I would like to ask the minister in the area of Government Air. This is Government Services and you have the personnel available for that? *[interjection]* Okay.

Now, with the understanding that virtually all of the expenditure of the Government Air Services division is recoverable from other departments, I would like to speak specifically about fire suppression which, obviously, would be recoverable from Conservation. The change in policy in some of the other jurisdictions here in Canada has been one to outsource the services for fire suppression and also, too, to potentially augment and complement existing fire suppression services with private contractors that

have single-seat aircraft with new and modern technology to provide very good fire suppression with more cost-effective equipment.

What I would like to ask the minister is that, first off, is the department looking to work co-operatively with the Department of Conservation to potentially provide for the most cost-effective fire suppression here in the province of Manitoba, which would include contractual agreements with single-seat aircraft operators?

**Mr. Lemieux:** Thanks for the question from the MLA for Portage la Prairie. With regard to fire suppression and with regard to Conservation, again I know we said earlier that we would not be discussing any particular policies or anything related to any other department, and that is with Government Services. We work very, very closely with many different departments, and Conservation is one of them. Of course, when it comes to fire suppression or safety related to fire, what an unusual occurrence we have had in Manitoba: some of the three wettest years and yet you can have forest fires happening all over the place in Manitoba, in northern Manitoba and, yet, it is so wet in the southern part of the province. So here you have flooding compensation going on in the southern part of the province, and then you have all kinds of forest fires going on in northern Manitoba. So different emergency measures are needed to be taken in the North and the south, totally for opposite reasons, one it is dry conditions and forest fires, and the other in the south it is very, very wet conditions, which is quite unusual. So the weather is playing a lot of funny games with us these days it seems, but we have to address them.

Just on that point in how we do address them is that we do sometimes, or on occasion, contract out. I am familiar, I stand to be corrected, but there is a helicopter company in Lac du Bonnet for example, I believe, that is used. Sometimes we contract out to different companies in the private sector on an as-needed basis. Sometimes, if the forest fires are so bad that we will need extra personnel, we often will do that. We will try to accommodate Conservation's need, but it is Conservation that makes the call. They are the ones that give the direction, and we try to co-operate with them. So it is Conservation that contracts out, not us. For example, all helicopters are contracted out. I do not believe that we have our own helicopters. So it is Conservation, essentially, that contracts out. Thank you.

**Mr. Faurschou:** Well, obviously, though, there has to be some type of understanding at the very least. Otherwise, why would Government Services have seven water bombers available, if they are not guaranteed that Conservation is going to contract with them? It must be some long-term understanding between Conservation and the Department of Transportation and Government Services for their utilization, otherwise the equipment would not necessarily be required.

**Mr. Lemieux:** Well, again, Government Services is a unique department in that way. We work very, very closely in consultation with Conservation and many other departments, Justice, as we mentioned earlier, and other departments because we have many responsibilities, either with regard to buildings or with regard, in this particular case, to water bombers and other aircraft that we have. For example, we have medivac service, as well.

So we do work with other departments very, very closely, but they do have the expertise and they are the ones who determine the need, and they work closely with us to ensure that that happens. We also, in turn, work very closely with them, to ensure we try to meet their needs.

As I mentioned before, it is really unusual occurrences we have had in Manitoba over the last number of years, where we have had some bad forest fires, and then on the other hand we had terrible flooding. So it is something where we have had to really work very, very hard to make sure that we protect and provide safety for our citizens.

But, again, it is Conservation that gives us the direction and we work in consultation with them to provide the service. Thank you.

**Mr. Faurschou:** Well, I do appreciate the minister's position as it pertains to the fleet of aircraft which are specialized in fire suppression, but where I am going with this is that the advancements in avionics and technology for fire suppression now has progressed to a point where single-seat aircraft are being utilized for very quick response to fires, whereas to get a two-pilot large water bomber, a multi-engine water bomber, in place to fight a fire, it takes support staff. It takes logistics, logistical planning, and the single-seat aircraft that are designed for fire suppression, their response time is significantly less than our twin-seat water bombers.

I will ask the minister and I will give a very specific situation. Three years ago, the Department

of Conservation used or asked for this type of service from the different aerial applicators here in the province of Manitoba. The aerial applicators, of which there are five, went out and purchased this specialized equipment for fire suppression and adapted their aerial applicators, their planes to do this work.

In the last two years, the Department of Conservation has had limited call for fire suppression, but because of their understanding, if you will, with Government Services, there has not been opportunity to call upon these independent operators that had invested—and we are not talking minor dollars here. Each operator has in the neighbourhood of between \$400,000 to \$2 million in investment in specialized fire suppression equipment that has not been used in this province in the last two years. If the department does not recognize this type of investment, this investment will leave the province, and then when some day we do require it, we are not going to have that option here in the province of Manitoba and we are going to have to go elsewhere.

\* (10:50)

I believe that, for a small amount of money as an up-front contractual agreement to have these individuals on standby, and to cover the overhead of having this equipment in Manitoba, I think is a very wise investment, if you will, to have that option available for a quick response for fire suppression.

I am looking to the minister because the timing is now. These individuals will not carry this investment for another year. They have carried it for two years already out of their own pocketbook, and I think the department should look very long and hard at this situation because once this equipment leaves our province, it is not coming back.

**Mr. Lemieux:** I am sure that the MLA for Portage la Prairie is not suggesting that we pay contractors for doing no work and just wasting taxpayers' dollars. I do not think that is what he is referring to that to ensure that the company or this fleet be paid money for not doing anything.

There is a special application that they would be used for, but again, who determines that application is Conservation. Conservation are the experts. I do not know if the member opposite had the opportunity of asking the Minister of Conservation (Mr. Struthers) during his Estimates on this particular question. Maybe I would ask him that and maybe he

could tell us if he is asked, and maybe he could share the answer that the Minister of Conservation gave him, but I can tell you from Government Services' position that Conservation is the one who contracts out for spray planes.

We have water bombers and we have other fire-suppression aircraft, but the point I am trying to get at is that this, to me, appears to be a specialized service, and Conservation are the experts that really, they are the ones who determine what kind of aircraft they need in a particular situation. Certainly, they would work with us to financially compensate whatever service they needed, whether it was helicopters and so on. I guess I am interested to find out from the member opposite, the MLA from Portage la Prairie, what the Minister of Conservation said when he was asked: You are going to let these planes leave the province?

I mean, it is Conservation that makes the call. They are the experts in fire suppression. They come to us and say, this is what we need. So, if they said, you know, we need these specialized spray planes, we would certainly look at it and work with Conservation. Maybe the member is not happy with that answer, but that is the only realistic answer I can give him because we are certainly not just going to pay—maybe he can also answer this: Does he want us just to pay a company for not doing any work and just to keep them here?

**Mr. Faurchou:** The answer to that question in one word is yes, because right now you all, whether it is in-house or through contractual with independent operators, you are paying. Right now, Government Services has almost \$14 million in standby Government Air Services' equipment and personnel, and whether they are used or not used, they are still there, so you are paying a standby retainer fee, whatever you want to term it. Whether they are actual government employees in government-owned equipment, or whether they are individuals from a contracted service where someone else owns them and they are employees of another company, it is exactly the same.

I want to ask the minister then, is Conservation straight up, in fact, can they then, if Government Air Services is not competitive, contract with Conair and fire suppression exclusively with them rather than working with Government Air Services and the fire suppression equipment that Government Air Services owns?



**Mr. Lemieux:** There are a couple of different questions in what the member is saying. First of all, he is not matching apples to apples with regard to comparisons in aircraft. Secondly, the point he did make about how there are aircraft contracted out, whether it is helicopters, just to stay on an on-call basis in case there is an emergency and they are needed, but I would think that there is probably kind of a minimum level set for that, and if they are called into action, then they would go ahead.

But again, this question is coming to the Minister of Government Services. Those questions, I hope, which he did not answer, was what did the Minister of Conservation (Mr. Struthers) say when he was asked these questions because it is Conservation that makes the call. I mean, it is the Minister of Conservation who makes the call. They are the experts. They are the ones that need the aircraft, and they are the ones who determine the need. We respond in kind to that. So I would just ask the member: Did the Minister of Conservation answer that particular question?

**Mr. Faurichou:** Well, just for clarification on this point. So the Minister of Conservation has a free hand to contract fire suppression with whomever he wants to?

**Mr. Lemieux:** I appreciate the discussion because it is actually educational for the Minister of Government Services as well. So we have got the following aircraft for fire suppression: seven water bombers; three Bird Dogs; there are not any spray planes; one Twin Otter; and two single Otters as well, and they are used in support for either moving staff or moving equipment and moving people around.

Conservation, if they need over and above that, as I understand it, would contract out. Conservation would have to go and find spray planes, for example, for a particular application.

**Mr. Faurichou:** So the Minister of Conservation with his responses to these questions, really is obligated to go to Government Air Services first, and only when all equipment then is completely maxed out the Minister of Conservation has then the option to go to independent private companies for further fire suppression equipment.

**Mr. Lemieux:** What I have been advised is that, because we have the water bombers, I mean, they are government water bombers. Conservation uses our water bombers, right? If they want to go and they

need spray planes, then that is a determination they make. They do not have to get the approval of the Minister of Government Services, as I understand it, to get spray planes. If they have the cash or can get the money, they can go ahead and contract spray planes, but if they need water bombers, yes, they come through us, or a Bird Dog or Otter. Thank you.

**Mr. Faurichou:** So we have a smoke-plume site. The Minister of Conservation and his departmental staff identify that this can then be quickly disposed of with the use of a single-seat, fire suppression aircraft. My understanding is though that the Minister of Conservation does not have the option if there is a water bomber available from Government Air Services. The minister has to go to that Air Services water bomber first. He cannot go to a single-seat, fire-suppression aircraft first.

\*(11:00)

**Mr. Lemieux:** Well, if you have a tiny little fire that the Boy Scouts have let go and you need a small spray plane, Conservation determines they need that. If you have a huge forest fire and Conservation says, you know, we need all the water bombers, get them out and so the water bombers are out there dropping huge loads of water onto this forest fire.

Conservation, I do not mean to make light of it. I am not being facetious and I am not being flippant. I am just saying that Conservation makes the determination what kind of aircraft they need. I mean, I am not a fire suppression expert, but, to me, a spray plane would be maybe used for a different application than a water bomber. A water bomber may be used for a larger fire and a spray plane may be used for a smaller grass fire, just to use an example. So Conservation makes that call.

So, if Conservation has a huge fire and they need water bombers, if they say, we need those water bombers, we certainly try to address that, but if there is a smaller application, a small grass fire, let us say, that has got away from a community, and the rural municipality is in dire need of it, Conservation makes the call and they would use a small spray plane.

So I think there is a difference here. It is not a matter of we cannot use spray planes. Conservation can use spray planes I guess if they determine they need them and they want to contract out. But what did the Minister of Conservation (Mr. Struthers) say when he was asked this question? Did he say that he would like to use big water bombers on a small, little

bonfire, or would he use a small spray plane? They make the determination in Conservation of what kind of aircraft they need, and we try to respond to it the best we can.

**Mr. Faursehou:** We have to move on to other topics here, but I will leave that with the minister. I do not believe that the Minister of Conservation has the flexibility which the Minister of Government Services has alluded to here in the actual use of fire suppression equipment.

But if that is truly the case, I would hope that he would communicate that to the Minister of Conservation so that he can use the most cost-effective fire suppression equipment available here in the province of Manitoba.

**Mr. Lemieux:** Well, I thank the member. I just want to conclude by asking him, I do not know who the company is that he was referring to, if they are located in Portage la Prairie, Winnipeg or wherever. No one wants to see a company leave, first of all. I should mention that. No one wants to see a company leave if they are providing a valuable service and that service may be needed at some time.

But just to conclude this conversation or the question and answers, if there is a water bomber available or an Otter, and it is available, it is there, and Conservation calls for it, they get it. If it is not available for whatever reason, Conservation has to make the call, that we have to get this fire out; we have to do something about it. They have to make the determination, for example, if a water bomber is not available, then they have to find some other way to get that fire out, but they are the ones, as I am advised, that make the decision on what kind of aircraft or craft or fire suppression they need, whether it is 10 people out there with water tanks to put a small fire out or whether they need a water bomber or spray planes. Depending on the availability, it is Conservation that makes the call, and we try to respond to their request.

So I thank the member for the question and I appreciate his interest in this area.

**Mr. Rocan:** Mr. Chair, just before we leave this particular section, the Government Air Services, I guess my question would be: How many maintenance people would that department have, the number of pilots, or do pilots sometimes help with the maintenance? This I am not sure of. I am asking the question.

Also, if he would want to include in his response, and I will use the terminology, a maintenance shed. We have the hangars, I believe, down over here on—what is the name of that little street there? *[interjection]* By Ferry Road. But do we have one or two of these hangars or maintenance sheds, if you will, the size of a football field somewhere up north or other parts of the province that individuals could—*[interjection]* Oh, he will tell us.

So I just wondered if the minister could respond, the number of staff, how many would be maintenance, full or part time, pilots, full or part time, or do they sometimes interchange whether it is air ambulance, fire suppression or general transport.

**Mr. Lemieux:** Well, so let me just begin by saying there are two repair places, two hangars to do repairs. One is in Thompson, Manitoba, and one is on Ferry Road. When you talk about the pilots or the people who do the repairs, the mechanics or the maintenance people, we are very fortunate, actually, in Manitoba, to have some of the best, not only in western Canada but in Canada. It is something that members opposite are very familiar also with these facilities, and also the personnel. They are very professional and we are very fortunate to be able to have them, quite frankly, and the service they provide to us. We are also equally fortunate to have people within government that can provide this service. So Thompson and on Ferry Road in Winnipeg are two of the hangars that we have for repairs and so on.

**Mr. Rocan:** We have Thompson and Ferry Road. Now, my colleague makes reference here to Clearwater Lake. Apparently, we have a particular facility there, and Gimli. What usage do we get out of Gimli? Are those, actually, just a fuel them up and change the tire and check the radiator and set them on the road again? What is their use?

**Mr. Lemieux:** Well, this is actually in response in part to the MLA for Portage la Prairie's question. He asked about parking lots. These particular facilities are actually parking lots for planes. So we use them primarily in the summer as a parking lot where the aircraft would stay, I guess, instead of coming back to Winnipeg and coming back here, we use those facilities as, essentially, a parking lot for a plane.

Now, with regard to the previous questions that the member asked about staffing and so on, there are also 26 mechanics. You were asking about them. How many mechanics and how many hangars or

facilities we have. So there are 26 mechanics and the two hangars, one in Thompson and one in Winnipeg.

**Mr. Rocan:** Mr. Chair, while we are reviewing the Estimates books supplied by the minister, I wonder if the minister could touch on The Wild Rice Act that he has responsibility for. I would have automatically assumed this would have fallen in the category of Agriculture or some other department. I guess, you want to play farmer because you talked a while ago about how you lived outside the city of Winnipeg in rural Manitoba. This must be your love for the agriculture sector. I figure that is the only reason why you have the administrative responsibility for The Wild Rice Act. Can you explain to us how many and what sort of a budget The Wild Rice Act that you have to maintain?

\* (11:10)

**Mr. Lemieux:** Well, I know we are approaching lunch and I love wild rice with Cornish game hen. It makes for a tremendous meal. I am a little bit familiar with this because I understand, I believe, we do issue some permits and leases and allow people to harvest the wild rice. I am sure the member opposite loves wild rice, as well. I am not sure if he likes Cornish game hen—*[interjection]* Maybe the Member for Tuxedo (Mrs. Stefanson) or the Member for Portage la Prairie (Mr. Fauschou) would like to share the recipe with me sometime. Thank you.

**Mr. Rocan:** Also, in his administrative responsibilities through Government Services, the minister also has a responsibility for the parks act. Now how would this work because we have had several discussions this morning with Conservation and, again, we would have assumed that Conservation would look after the parks. The parks act, would that come similarly like The Wild Rice Act where you have the responsibility for handing out permits, and if you do, how many staff would we have for that, and what sort of a budget would they operate under?

**Mr. Lemieux:** I am presuming the member opposite is referring to page 10 where it talks about Government Services and the responsibilities, or statutory responsibilities that the minister has. Again, it does refer to leases primarily. That is the role that Government Services plays with regard to leases and permits, and that is essentially it. Thank you.

**Mr. Rocan:** When the minister makes reference to leases and permits, and I guess he could simplify it with a yes or no answer, this new technology that the Minister of Conservation (Mr. Struthers) talks about,

if a person wants to get a particular spot for his camper on a particular park site, Spruce Woods Park, for example, this is not something that you administer, is it? *[interjection]* I did not think so.

**Mr. Lemieux:** The answer is no. But, also, I am sorry that they could not get a lot of these answers out of the Minister of Conservation, but I am pleased to answer the questions related to Conservation. I will try to answer as many questions as I can. But he is correct, though, The reasons why The Provincial Parks Act and The Land Acquisition Act or The Wild Rice Act is in here is primarily dealing with leases and permits, but it has no relationship to the Minister of Conservation's new initiative with regard to campgrounds and so on.

**Mr. Rocan:** Mr. Chairperson, I would like to start making a few comments on different operations that are within the Legislative Assembly here in Manitoba. There are two for sure that I would want to make reference to: the security in this building and on this grounds, the security personnel and, the other one, on the Mail Management that the minister has responsibility for.

Security: the number of staff that we have, and I say this building and that would be wrong, because the minister will probably quantify this where several of the security officers that we see here on a day-to-day basis often spend time at the Law Courts and, I am assuming, the Woodsworth. Can the minister sort of explain to us the role and function of our security staff?

**Mr. Lemieux:** Can I ask the member just to clarify the question? Sorry, I am not sure if it was just about this building or security in general on government property?

**Mr. Rocan:** I thank the minister. I expanded on it somewhat because there are times if I am over at the Law Courts or at the other facilities that are run by the government, you will often see some of the same individuals or, indeed, the uniforms would be extremely similar to those that we see around here. So, I have to assume from that that they sort of interchange, intertwine somehow, and they move back and forth. Some must complement the others.

So the training that would be required for this facility of this department, the individuals, would it be similar to those who are at the Law Courts or at the Woodsworth Building? What kind of training would our security staff have to undergo to hold a position here?

**Mr. Lemieux:** Mr. Chairperson, security, of course, is an important issue for all of us in all of our buildings. With regard to the Law Courts Building, it is a shared responsibility between the sheriffs and our own staff. We do have electric monitoring that takes place for security on government properties and we also have mobile units that move around and provide security. For example, just the other day we made an announcement with CancerCare Manitoba to have the bears brought back to—off Broadway, not on Broadway. They are behind the Legislative Building and we are very proud of that fact.

But we do have mobile patrols, mobile security that are patrolling that area and ensuring that there is some security provided there. We do have shared services at the Law Courts Building, and we do provide mobile security for our facilities. We also have electric monitoring.

So there is a multifaceted approach to security that Government Services has taken. I trust this answers the question for the member.

**Mr. Rocan:** I thank the minister for the response, I guess the point being the Premier (Mr. Doer) will be hosting a First Ministers' meeting, if you will, in Gimli, and I guess the question would be to the minister, then, to explain to us whether or not our security staff, as we know it, and I say our security, the security personnel for the provincial government, would they be working in Gimli in and around that conference?

**Mr. Lemieux:** Thank you for the question. With regard to the event being held in Gimli, the specifics with regard to the amount of personnel and so on, I am not privy to that, but I know that it is a combination of security. I would presume that the RCMP would be involved or other policing services. I know that some of our staff are going to be used to provide transportation services.

There are only certain statutory powers that our people have, that our staff have. They are not police officers. They are not like the RCMP or City of Winnipeg police, so they do have a limited amount of authority. I am sure there will be some of our staff assisting in Gimli for that two-day event.

\* (11:20)

**Mr. Rocan:** Training requirements that would be needed by individuals who would want to be a security officer, if you would, do we have special training programs or do we enrol them with private

or public training courses? And if we do, what would be the cost, or how many would participate?

**Mr. Lemieux:** Yes, with regard to training. Yes, we do provide training. There is training provided for staff, but I should have prefaced my answer by saying that traditionally the hiring practice has been that security people come with some background or some expertise in that field. By that, I mean ex-military police, ex-police officers, City of Winnipeg police, military staff themselves. So they come with some background with regard to security, and that has been quite successful for us to look at that kind of hiring practice with which people come into the area already having had some expertise in the security field.

**Mr. Rocan:** I thank the minister for his answer.

Under Mail Management, I wonder if the minister would want to sort of explain to me, or to us, the program as identified in his Estimate book under Materials Distribution Agency. There are times that I will personally go down to the mail, and I use the terminology "the mail room," and it is unfortunate that there are several occasions when the doors are locked, and if I would leave I would find the person walking around the hallways gathering or delivering mail. Obviously, it seems to me that we would be short-staffed if they have to lock an office, or lock a door, so they can go and do three or four floors in this building to deliver and gather and distribute mail.

Has the minister ever considered, or the department ever considered, sharing staff back and forth through this? And I have to assume, the central mail services is larger than the one person that works here in this building. This individual, on several occasions I say, seems to me would be doing double duty and—because I have seen times where couriers have to sit and wait until that individual will come back to sign off on a particular document. I am just wondering, what is the role and responsibility of that unfortunate one person that we have working here at this time?

**Mr. Lemieux:** Well, thank you very much. That person, that individual, provides tremendous service for us and, quite frankly, we are very fortunate to have it in this building. It is a pickup and delivery service that we have and we are very lucky to have that. I know that security staff, on occasion, has assisted there, as well. So we are very well served by that individual who does a very good job, as far as I know. I do not think the member opposite is

criticizing the work the person does, but I think we are very fortunate to have the pickup and delivery service that we have got.

**Mr. Rocan:** In the same document, you make reference to part of your mission statement where the agency provides mail and material management services to the public sector. Are you envisioning expanding the operations to include all the public sector? Hospitals?

**Mr. Lemieux:** Just on a point of clarification, just to let the member know, we do not provide support or delivery to all public agencies, as such. We do sometimes, on a limited amount, but that is not the mandate, as I understand it.

**Mr. Faurichou:** I do want to expand on this a little bit, and also as mission statement for Fleet Vehicle Agency, as well. It is very clear in the mission and vision statements contained in the departmental documentation that that is where the special operating agency wants to go: to provide to all public-sector agencies mail management services. I also want to draw the attention to the minister to Fleet Vehicle Agency, where it states that the vision of this agency is "to provide all vehicle and equipment management services to the broader public sector," and the mission: "We are committed to provide our clients with a complete range of quality fleet management services to assist in the efficient delivery of public programs."

Now, that is a very, very broad statement, and I would like very much perhaps if the minister can identify what, in both cases, is considered public sector and public programming. Is that inclusive of municipal government services, school boards, indirect agencies of government, such as the RHAs?

**Mr. Lemieux:** Well, thank you for the question. Maybe it is terminology that we are looking at. That is the discussion that I just had with my staff, that the terminology being used, when it says public sector, is referring to—for example, let us use Fleet. We provide vehicles, for example, to Lotteries, or to St. Amant, or to RHAs, and I guess you can include that as the public.

So, in other words, it is not just line departments that Fleet is responsible for providing service for. There are other agencies within the public-sector envelope, I guess if you want to call it that. That all fits the mission statement, or the criteria or the mandate of Fleet Vehicles.

\* (11:30)

**Mr. Faurichou:** Actually, by reading this, we are correctly assessing that Fleet Vehicles Agency then has the door open to a school division or to a municipality of Portage la Prairie, for instance, to come through that door and to use the services of Fleet Vehicles.

**Mr. Lemieux:** I think the member is probably correct. It is very similar as it was in the 1990s when he was part of the previous government. That has not changed. That has always been the same.

**Mr. Faurichou:** I appreciate the minister clarifying, and I know that Fleet Vehicles has been in existence since 1992 and has provided a valuable service. But I also, though, would like to leave the minister with the thought, for departmental consideration, that we always look at the options available for hard-earned taxpayers' dollars, and I am aware of other jurisdictions now looking at fleet vehicles and equipment coming to the public sector from agencies such as Enterprise car rental, and that is in other jurisdictions providing government with fleet vehicles. So, I want to leave with the minister the idea that, even though the mandate is with Fleet Vehicles agency to provide for government vehicles, there are other options that are being utilized in other jurisdictions.

I do have to leave for an engagement in Portage la Prairie, so I will dance off to a Transportation question which I did leave with the minister in the House, and that was the deplorable state of affairs of Provincial Road 240, which is a vital artery to the businesses located in Portage la Prairie. Is there any consideration at this point in time to making special provision, as the minister had alluded to in Question Period. There are no plans at the present time to look to upgrading 240, but, seeing that it has sustained such significant deterioration in this year, could that bring cause for the department to reconsider upgrading to RTAC this particular roadway?

**Mr. Lemieux:** Just to end the question on the Government Services question with regard to Fleet. Fleet is always looking for opportunities, and I know the member is suggesting that Fleet should look outside of the box and explore other avenues to enhance not only its own reputation but its own financial bottom line. So we appreciate his suggestion.

With regard to the highway the member refers to, as I mentioned to him in the House privately, and I will say it publicly, is that every year there are over \$2 billion worth of requests of different roads to be

addressed. The department, each region is responsible, of course, to looking at their particular region, looking to see which highways in any given year either are getting more traffic because of McCain's or there is a huge potato farming south of Portage la Prairie now which the circumstances have changed on how a highway is used, for example, and that is the conversation the member and I had, that the economics of a particular road may change and that has bearing on the decisions that the department and the engineers have to take and that is what they look at. If, for example, the traffic increases, if there are more safety-related incidents that take place on roads, if new businesses spring up by certain roads and highways, all of these factors fit into the criteria mix that the department, the engineers and the regions put forward as their priorities and highways that need to be looked at.

This particular road is being looked at by Portage la Prairie right now as to the viability of putting more work into it. I, certainly, cannot answer that question today, whether or not that is going to be addressed in the very near future. But, as the member opposite mentioned, there is a lot more traffic on it now than there was even, let us say five years ago, and, of course, the road itself is an older road. That is really what we are faced with in Transportation, quite frankly, an infrastructure that is aging, and we need to address it.

This is what I would pass on to the member opposite. You do have a member of Parliament, Mr. Pallister, in your own area who is very familiar with this road. The federal government, since we became government in '99-2000, has taken approximately a billion dollars out of Manitoba in motive fuel tax. They have only put approximately \$70 million back into Manitoba in that same time period. There is something wrong with that picture.

I know members opposite feel quite strongly about having more money go into Transportation, but I would encourage the member opposite, now this is a good example, because you have a member of Parliament that is right there in your area, is very familiar with this road, received a lot of phone calls. I am just hoping that he would pass on the message to Mr. Cannon, the federal minister, and implore him to ensure that more dollars come to Transportation infrastructure from the federal government. That will allow us, quite frankly, to deal with the roads the member talks about and still address the main arteries like 75, like No. 1, like No. 16, like No. 6, like No. 10. Every dollar the feds would put into the

smaller roads, if I can use that terminology, or less travelled roads, that allows us to put more dollars into the national highway system or other roads. Thank you.

**Mr. Rocan:** I realize we are dealing with Government Services. We appreciate the Member for Portage has to leave, and he wanted to deal with that particular section, but this also, that 240 from St. Claude, north. I have, and the minister makes reference to this in his response, new businesses. Well, I have a young fellow there by the name of André Dequier. André has built a beautiful facility where cattle travelling from Alberta and working their way east would traditionally stop at André Dequier's facilities. They would be unloaded, bedded, fed and watered, and then loaded up in a day or so to carry on their journey to wherever they are going. It is unfortunate now because André Dequier cannot get the trucks, the B-trains that are coming now with cattle to go to his facility because of the deplorable conditions of the 240. It has to be, as the Member for Portage makes reference, upgraded to RTAC. This is something, we have met with the minister, we have met with the deputy minister, and consistently we have been rejected.

Now the minister makes reference to the fact that the federal government takes umpteen thousand billion dollars through gas taxes, and it is up to us now as opposition members to be lobbying, in his words, Brian Pallister to try and get more dollars from the federal government to Manitoba to help this minister in his quest to upgrade the roads. I would agree with the member that we should, and would actually tell him that we do, on a regular basis, meet with the members of Parliament for the province of Manitoba trying to secure more funding to flow our way.

\* (11:40)

I guess, to the minister, I would ask him, seeing as how we have all these first ministers meeting in Gimli and the possibility of the federal Prime Minister being present, would it be on the agenda of first ministers to try and secure more funding and get the federal government to loosen some of the purse strings to flow more money, specifically for highways, that this minister makes reference to that he obviously cannot seem to secure from the federal government? Is it on the agenda? This, it seems to me, would be the place where this sort of discussion would take place at an extremely high level. You have them all, and I am sure they are all clamouring

for the same dollars. Each and every one of them needs more dollars to help with their infrastructure. So would the minister be aware of such an item on the agenda?

**Mr. Lemieux:** Well, a couple of things, and I do respect the member's opinion very much. I will try to be as delicate as I can.

This is not to help me or help the Minister responsible for Transportation. This is to help Manitobans, and it is not to help me directly. I can tell the member opposite that I asked the Member for Emerson (Mr. Penner), my Transportation critic, if he would join with me the next occasion I have to meet with Minister Cannon to sit down, and both of us, as we are both related to Transportation portfolios, have a discussion with the federal Minister of Transportation. No. He refused.

So I certainly do not want the members opposite to be playing politics with this. I certainly will try not to. This is in the best interest of Manitobans. It is not Ron Lemieux, oh I am sorry, it is not the MLA for LaVerendrye or the Minister of Transportation that is looking for this. There is an unfairness with regard to this whole issue. I think the members opposite have heard from their constituents; I know we have. People are recognizing now that this kind of money flows out of Manitoba and very little is flowing back. I believe that the Prime Minister, our Prime Minister, is going to address this, and he is going to put money back into the provinces. I do not know how much or what kinds of strings are going to be attached, but I trust it is going to happen. They realize it has to happen.

All I am saying is that, politically speaking, if I might use that term, the members opposite are on a friendlier basis with the members of Parliament from the Conservative Party than I am. If they see them or talk to them, hopefully, they are making mention of the fact that the billion dollars, or approximately that, has left the province, and there needs to be more money back into Manitoba.

Now I hope the member opposite, like the Member for Emerson, is not playing politics with this because he realizes that, if the money comes from the federal government to Manitoba, then all of a sudden we put the money into roads and all of a sudden, guess what, that makes our government look better, so that enhances our chances of being re-elected. Now I hope the Member for Emerson, for example, is not thinking like that because, quite frankly, we are not. We just want to improve the

roads, and we want to see more of that federal gas tax come to the province of Manitoba.

Now the Council of the Federation, just to address the question directly to Gimli, I do not know, I am not sure what is on the agenda, but I know the Council of the Federation or the premiers of Canada have put as one of their top priorities, along with the Kelowna Accord—yes, I believe it is the Kelowna Accord—the issue around funding for transportation infrastructure. They are two of their top priorities and they have repeatedly mentioned it. That means Mr. Klein, Mr. Campbell, Mr. Charest, Mr. Doer—or the Premier of the Province of Manitoba, sorry; the MLA for Concordia—these individuals have all put transportation at the top of the list on wanting to work something out with the new Prime Minister or the Prime Minister of the day.

So this is not to help me, the Minister of Transportation for Manitoba. As I see it, it is to help Manitobans. I think that we have to, in many ways, stop playing politics with it because it is not a matter of lobbying or trying to embarrass anyone. I think that Minister Cannon, the federal minister, really wants to do something, and I think our Prime Minister wants to do something with regard to the terrible situation that we are faced with with crumbling infrastructure on our roads. So all I am saying is that I want us to join together. I think this is something that we can actually work together to benefit Manitobans.

Now I asked my critic whether or not he would write a letter to Mr. Cannon, the federal transportation minister, and implore him to put that money back into Manitoba. So the Member for Emerson said, oh, well, the new Leader of the Opposition here in Manitoba wrote a letter to the Prime Minister telling him that. Then he retracted that saying, oh, no, it was a column, a letter to the editor in the Heavy Construction Association brochure that he sent to the Prime Minister. Well, I do not think that is the same. I mean, I would like to see that Leader of the Opposition and my critic send a letter to the Prime Minister or to the Minister of Transport, asking that this situation be addressed in the short term.

So I thank the member for the question. I know it was a slightly longer answer maybe than he wanted, but I wanted to make sure we put it on record as to, No. 1, I do not know what is on the agenda in Gimli, and No. 2, I believe we can really work together to get something done, quite frankly,

on this one. We do not have to use partisan politics to address asphalt. Thank you.

**Mr. Rocan:** I thank the minister for his answer. He is making reference to the Member for Emerson (Mr. Penner), along with my leader, sending off letters. I would ask the minister, because when we were making reference here a minute ago about the PR 240—and I said for several years now, and it is several years, that we have asked for somebody to consider to review and look at the 240, as, indeed, the Member for Portage (Mr. Faurichou) is trying also at this point in time—I would have to ask the minister: Why would I want to—I guess, I do know the answer, because it is for Manitoba. Specifically, when we have a particular highway that we are trying to get upgraded, to, like, an RTAC position, in the roadway system, in the province of Manitoba, and we cannot get anybody at all to tell us if it is on the short list, if it is going to be in the next five years, two years, 10 years, 20 years. Yet the minister says: Well, you should be writing a letter to the Prime Minister. I should be writing a letter to the federal Minister of Transport or the Minister of Finance, whoever, asking for more dollars.

When, sir, it is your government that does not have a good track record. You do not have a good track record. History has shown, when your administration, not you specifically, sir, but when you have spent \$20-some-odd million, and we used the terminology one time, the bridge to nowhere. You built a bridge that does not go anywhere. Mr. Chair, \$20-some-odd million. So why would I ask anybody to fill the coffers if you are going to build a bridge that is not going to do anything? It makes no sense at all to me. Here you are trying to be cute by half a dozen by saying that we should be doing it, and we are doing it. I told you that. But when your track record shows that \$20-some million went to a bridge that went nowhere, this administration had to come in, and we had to clean up, make a bunch of roads and tie them on to this particular bridge. It was absolutely ludicrous at that point in time.

The government changed hands and rightly so, because they did not know how to spend money. They thought they had a pot full of money and they were going to build this great big bridge in Howard Pawley's constituency and had no idea what it was going to be tied to or joined up with. So today you do not think that Brian Pallister is aware of that? He was here then. He knows how you guys would waste this money. So do not come and tell me that I should be

writing letters to try and fill the coffers when we will not even see five cents in return.

So, to the minister's question, and to me, yes, I lobby, I lobby hard on behalf of my constituents, trying to get the federal government to commit to spend more dollars in our province, but often we have to ask ourselves why, because there obviously seems to be very little in return, especially to the southern portion of the province of Manitoba.

The minister, he will talk about he spends over \$100-some million. We appreciate the \$100-some million, and yet an individual has to look at a map, and you will see where a good portion of the province, indeed, a lot of the traffic, truck traffic, that goes back and forth. Indeed, the farmers that are struggling today have to move their grain further and further, and yet they do not have the infrastructure in which to help them make that challenge of trying to find a better market.

Yes, I will do as the minister asked. I will continue to lobby the federal government, but we often have to ask ourselves why.

**Mr. Lemieux:** Well, I am glad I see I have the member opposite's blood pressure up a little bit, but that was not my intent. But you know, I believe that this can be an issue that is not partisan in many ways. This is an issue that affects all Manitobans. This is one of these issues where all MLAs in this area, certainly rural and northern MLAs, have a real vested interest in ensuring all of our roads improve.

\* (11:50)

Now, I am sure the people who use the northeast Perimeter, which we are twinning, the people who are going to be using the twinned highway to Saskatchewan, the people who are going to be using Highway 75 to North Dakota will really appreciate the member saying how it has been wasted and the money is not being spent appropriately. I mean, as far as I am concerned, we have listened to Manitobans. They want the northeast Perimeter twinned. They want improvements to No. 6. They want Highway 16, the Yellowhead, improved. They want No. 1 highway improved. They want 75 improved.

Now it is fishing season, so I will take the bait. The member said, the road, the bridge to nowhere, right? There are the same amount of vehicles that cross that bridge as approximately twice the number which go over that so-called bridge to nowhere than go over the Letellier Bridge. So is the member



opposite saying that we should not fix the Letellier Bridge then, because there are twice the amount of vehicles that go over that bridge, the Selkirk bridge as I call it, or north of Selkirk, than go over the Letellier Bridge? I hope the member opposite is saying, do not fix that Letellier Bridge because, you know what? There are just half the vehicles that go over that bridge; why should you do anything to it? Yet our government is approaching that bridge and looking at it seriously to make some improvements to it.

I can tell the member opposite that this increase in money that we put into the budget, it is an unprecedented amount. The last budget they brought in, in Transportation, dealing with construction, preservation, winter roads, that particular budget was approximately \$174 million in '98-99. Our budget is \$257 million. No matter how you cut it, it is still approximately up over \$80 million more per year that we put into transportation.

Now the members opposite might argue with us, well, you know what? Put it into my road; put into this road, you know, and that is fair. That is fair comment. But the engineers in the department, the department makes recommendations as to the roads that should be addressed, and we are trying to do that. When you have major projects like No. 1 highway going to Saskatchewan, or Highway 75, our major transportation artery to the United States, or from the United States to Canada, and Highway 16, and the northeast Perimeter, and Highway 59, are taking up the majority of the budget. It does not leave very much room for Highway 240, even though I think we could spend a lot more on that particular highway because it is run down.

The point I am trying to make here is that I am asking all members to be united on this front. If there is one that we can pull together on, I believe it is one related to infrastructure. I have no more passion than the member opposite for fixing a particular road or roads in the province. I believe that is equal amongst all members in this Chamber. All I am saying is that I feel we have to have a concerted effort here and work together to try to get more dollars into the province.

Now, regrettably, the Liberal government talked a lot but did not deliver. That is a real shame. It is. You had Minister Lapierre who made a lot of promises—commitments, sorry. He made commitments that he would try to address the infrastructure deficit in the province. He was trying to make some

inroads, and then the election changed that. So you cannot pass too harsh a judgment on him.

This has been going on for a long time. You have a new government in Ottawa now, and we are saying, okay, you are the new government. Let us see what you are going to be doing with regard to putting more dollars, or more finances, or more gas tax revenues, motive fuel tax monies back into the province. The federal government, going back to, I think it was Ouellette, and I cannot remember the other ministers, but they all said the same thing. We have to do something about infrastructure. The problem with Canada is that there has not been a transportation vision in this country for many, many, many years. So we are looking for some leadership from Ottawa. We are certainly willing to partner with them.

I am just asking all members in the Chamber to do what they can to make sure Manitobans—it is not the MLA for La Verendrye getting this money into his personal bank account if this money is coming back to the citizens of Manitoba to fix our roads and bridges. I think it is an issue we can all work on. I do not see a lot of difference between what members are saying in this Chamber. But the moment I ask a question like, what are you doing to try to promote to your friends in Ottawa to try to do something about it, we automatically get, well, that is your business. You take care of it.

We are trying to do something about it, but we are just asking, let us work together on this. Thank you.

**Mr. Rocan:** I want to thank the minister for his answer. Indeed, I would be the last one to say that this minister does not care about the highway network. I know the minister is trying extremely hard to beef it up as best as he can. Unfortunately, we understand there are scarce few dollars going around. The minister makes reference to the number of dollars that he is spending on one hand, and on the other hand he is saying he needs more. That we will all agree with. I mean, in a perfect world, this minister would be able to spend \$300 million, \$400 million every year for the next 10 years and be lucky to catch up because it is just the nature of the business and kind of where we live and the hot and the cold. I mean, it has got to be costly, and nobody will argue that.

At this point in time, and we got onto the highways because of the Member for Portage (Mr. Faurchou) who had to take his leave to attend a

function. If we could just revert to Government Services again, now, because we have all those wonderful people waiting with their expertise and knowledge on different issues that would pertain to the Government Services side, I would like to simply, because this has been near and dear to my heart for many, many years, going back to 1988, I guess, when I first got involved with some detail the workings of this building when I was then Speaker of the Legislative Assembly of Manitoba for the first time.

In the years following '88 and even until now, many discussions that do take place when parliamentarians get together, because most often they are hosted by Speakers and their Clerks at the table who participate, you often find more now than ever where the workings of government, I use that terminology, the assemblies are under the jurisdiction of the Legislative Assembly through the Speaker who would have the jurisdiction over the grounds, whether it would be the flowers, the security, the maintenance. I know it is a difficult position for the Speaker to be in, and indeed the Minister of Government Services, because it is almost like a shared responsibility. In this room where we are presently situated right now, indeed the Speaker has the jurisdiction over all the rules and different functions of the Assembly, yet the minister opposite from me is responsible for this room itself, if you want to use the terminology, the august Chamber. Yet, when I am looking up and indeed the staff are probably looking up, those paint chips that are falling down now have been falling down for several, several years.

**An Honourable Member:** We are looking up, praying for more dollars.

**Mr. Rocan:** Well, there you go, probably praying. But I appreciate, and it should be said, that the former Minister of Government Services, the Member for Thompson (Mr. Ashton), and we use the terminology, spent a great deal of money, and it was warranted in refurbishing the Golden Boy and part of the structure that is above this building.

Now, I guess to compliment that because there were scarce few dollars again, and yet the minister of the day had deemed it advisable or beneficial to start this restoration project, which every Manitoban, I am sure, appreciated. Now again we are looking in and around us, and we see where there are more dollars that would be needed to keep the grandeur where it should be kept. Yet, when I keep looking up there,

you see, more and more all the time, these paint chips that are falling. If you come here in the morning, you always find the paint chips on the rugs, so you do know that there is work that is needed.

\* (12:00)

I do not know if it would be beneficial for this Minister of Government Services to enter into discussions with the Speaker, with the Premier (Mr. Doer), with whomever, to find out whether or not there would be a willingness on the part of government to turn over, if you will, the grounds, this building, the Lieutenant-Governor's building, greenhouse, to the Speaker, with the support of the Legislative Assembly, because indeed it belongs to the people, indeed, like every other building. But this one seems to be more noticeable, if you will, because the general public tend to want to come through it, as they do on a regular basis. I would have just thought it would have been palatable, if you will, that, if it was under the jurisdiction of the Speaker in a non-partisan faction, then whatever functions do occur within the confines of the grounds of this building, indeed, would have to be of a particular nature acceptable to the Speaker and the members of the Assembly.

Probably because we come across the parks act and The Wild Rice Act, I know this minister must be extremely busy looking after all these acts. I am wondering if he would be willing to maybe enter into discussions. I am going to try and get the information to the minister, because it is worthwhile. I believe that we are probably one of the few jurisdictions left in Canada where the Legislative Assembly is under the jurisdiction, if you will, of the government and not the Speaker. I do not have that detailed information with me now. I really wish I did, because I think I can make the case to this minister, but, knowing this minister the way I do, I know he is always open for discussions, and he is always willing to consider new avenues. Has he been approached, or would he be willing to consider overtures on the part of, I do not know who yet, to have the facilities turned over to the Speaker?

It is difficult for the Speaker because, and I am going to be really coy here now, and I do not mean any reflection on the Speaker, it would be seen as sort of a self-aggrandizement on his part, but it would not be. This Speaker, indeed, represents this Assembly extremely well. He would do an admirable job, not that you are not.

I made a comment a moment ago about the former minister spending dollars that were warranted. This minister, I believe, also, with the number of maintenance staff that he has at his disposal, is trying to do the right thing, trying to keep it up. I know that it is extremely difficult when he only has so many dollars, but, if this facility was turned over to the Assembly, it might make it somewhat easier, if you will, because it would be seen by the members that we are actually promoting it, or enhancing it for the general public.

So I just leave the minister with those few opening comments to get the discussion started.

**Mr. Lemieux:** No, it is not being contemplated at this time to change it over. I know, when the member opposite was the Speaker of this Chamber, not only was that Chair that he represented held in high regard, he only added to the credibility of a Speaker in this Chamber. In my humble opinion, it was regrettable that he did continue as the Speaker. I think he did a very good job, and many Manitobans felt the same way.

On that note, I just want to say that I know that, to this day, he continues to have a passion about this building. He knows it is a tourist attraction. It is one of the most visited buildings in the province. We are certainly trying to do everything we can. As he mentioned, the MLA for Thompson, the former minister, there were some real structural problems with the Golden Boy that had to be addressed, and we did other things at the same time.

Quite frankly, I can tell you that a lot of work is happening, not only in the Chamber, but in this building. It is one of the few working buildings if not the only one remaining in the country that is actually considered a working building, where you actually have MLAs, ministers, deputies, in this building, where people actually come, have meetings. Very few others, I will just use Ontario, for example. I do not believe there are any ministers in their Legislature. They have offices off-site, and it is not used as a working building.

At this point, there is no contemplation of looking at the Speaker having responsibility for the grounds or the building. With regard to money, it might put the Speaker in a difficult position trying to justify the changes, but money is money. The Speaker would still have to try to find the money from someplace to fix this building. But this building, I have not asked the staff or anyone what it would cost to have, I am not sure if they are called

frescoes, but the paintings on the ceiling, what it would cost and how much time it would take, to actually have this redone and have the Chamber done. This is one of the most beautiful chambers in the whole country, and maybe even in North America. I have had an occasion to visit a number. It is such a beautiful building.

When I asked staff to change the flooring where the carpet was torn, and we changed the steps a couple of years ago, there were people criticizing us for that. It is somehow like the MLAs are feathering their own nest. It is very similar to air conditioning. Here, in this building, if we ever get a stretch of plus-30 weather in this building, it heats up. It is not just the MLAs that are cooking and barbecuing in here, it is the 300 staff. Well, I may be corrected on the amount of people that work in this building, but it is the staff. It is human beings that work in this facility that have to endure the heat and so on. But, the impression, though, is that the politicians are feathering their own nest and making it nice and comfy for themselves. Yet, we know, internally in here, all MLAs know that is not the case. There is that criticism that comes with being responsible for this building. Somehow you are, you know—we are trying to make our own offices, our own circumstances better for ourselves, and this would be a tremendous amount of pressure on the Speaker. The Speaker would really have a tremendous amount of pressure on him or her, whoever the Speaker might be, to try to improve this building.

There is no question about it. This building needs work, but, you know, we are doing work. I have to tell the member opposite. But we are not doing the sexy work. We are doing plumbing. We are doing the windows. We are doing the work that is necessary to ensure that the toilets and the plumbing and the electrical are all working. It is not like the Golden Boy. So, when the public looks at the MLA, who is the former Minister of Government Services, repairing the Golden Boy, he is recognized as the Golden Boy of the North, because of the changes and things that he did with regard to fixing the Golden Boy on this building. When they take a look at Ron Lemieux, well, Ron Lemieux fixed the pipes and the plumbing and the electrical in the building. Sorry, the MLA for La Verendrye fixed the pipes, the electrical and the plumbing in this building. So that is not very sexy. On the other hand, it is something that we need and that has to function, but it costs millions and millions of dollars. It is not the sexy kind of stuff that needs to take place.

Anyway, I know that we are running short of time and other people want to ask questions, but let me just leave it at that right now. One of the last working buildings in the province, it is not being contemplated that the Speaker take the responsibility for the grounds of the building, as of this date.

**Mr. Rocan:** I thank the minister for his response on that. I just make comment now because the minister makes reference to travelling through different facilities in the United States. I want to put on the public record, is what I want to do, is that I have been in every legislative building here in Canada, Sir, and I have travelled through many of them in the United States of America. There was a report that was commissioned by Ronald Reagan, and in that report, this building rated second as a working public building on the North American continent. Second only, sir, to the United States Supreme Court. That is the stature that this building has.

I appreciate your terminology. You say the work that you are doing is not sexy, the plumbing and whatever, but it is work that is needed, and the more that you can do, the better. There are certain parts of this building that you have to maintain, and we appreciate that. That is just a comment that I make to you.

Now I am going to turn the floor over to the honourable Member for Inkster, who has several hard-hitting questions for the minister.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I really appreciate the comments that the Member for Carman (Mr. Rocan) has put on the record. Especially, I know that he has visited legislatures. I did not know it was that many in terms of number, and it is most interesting to see the comments from the former president. I think one of the best-kept secrets in our province is the fact of just how impressive of a building this Legislative Building is. Last year I raised an issue of the beautification of this building to the minister. I wanted just to comment on that.

Prior to that, just to pick up on the point that the MLAs, and, I would ultimately argue, the people that work in this building have a certain amount of pride and want to see this building put into an apolitical structure that would foster the building even doing that much more. I think shifting the responsibility over to the Speaker's Office, which is perceived as an apolitical office, that would go a long way in, I believe, maybe garnering a little bit more in terms of resources and being able to do that much more.

The reason why I say that is because we spend tens of thousands of dollars annually at different museums throughout the province, whether it is statues, artifacts, abstract art, you name it, you are going into the millions of dollars every year on all sorts of other buildings, and so forth. If you contact some of these personnel that run the building, they will tell you that one of the biggest costs is the operational cost. We have a gold mine here at the Legislative Building. I do not think that we really use and showcase this building as well as we could. The operational cost is not necessarily the issue here. If we invested more resources in here, I believe that it would become a world-class tourist attraction.

Look what happened at The Forks. There was, at one point, no traffic. It was just a bunch of rail yards. Today, it is well over a million people, I believe, every year. I am always impressed during the summertime when I come down here, and you will see one wedding party after another wedding party getting pictures taken. Winnipeggers, Manitobans love this Legislative Building, and I think that we could be doing a whole lot more.

Maybe, because I realize we do not have very much time, the first question I am going to ask the minister, and then we will get into it a little bit more, is: What is the group of individuals who are responsible for this building today?

**Mr. Lemieux:** I thank the member for the question. I know that, indeed, I think every MLA that is in here really feels quite close to this building and is quite in awe the moment you are elected. I know I was. When I had my first opportunity to come and sit in this Chamber and just come into this building, I could not believe how beautiful this building really was, and is.

With regard to the building itself, there are a number of different individuals who take care. For example, there is Jean Dorge, who is the head gardener. There is a greenhouse complex at the back. There is an operations or a facility manager of this particular building. There are security people. It is pieced off and parcelled off into different pieces, and they each have their own responsibility for this particular building.

It is something that, when you take a look at this particular building and the amount of work that it takes because it is a heritage building, the moment you try to do anything with this building it almost seems like the costs are one third more, or 50 percent more, I am advised, just because it is a heritage

building. When people come in here to fix doors, they all of a sudden have to find a matching door, which is very expensive, or have one made to match. All the costs related to this building are extremely high. Thank you.

**Mr. Lamoureux:** Mr. Chair, I wonder if the minister would entertain the possibility where, whether it is through the Speaker's Office, or allowing for a group of MLAs to sit down and talk about that maybe a strategic time frame along with a plan be developed for the Legislative Building. Would there be any interest on his part, either formally or informally, to see something of that nature happen?

I say that believing that you would be able to find representatives from all political parties that would welcome the opportunity, and possibly even have two or three individuals who have a history of knowledge about this building and where all the rooms and so forth are. Would he entertain something of that nature?

**Mr. Lemieux:** I would certainly like to think about that a little bit. I do not know what that would entail, not just on the work side, I mean, everyone has a lot to do, but trying to think of what the end result would be before we would start. If the member opposite wants to, well, we can either speak privately about it, or he can send me some ideas in writing if he wants, or some suggestions of what he might be thinking about, but I would certainly want to think about that to determine where this would be going and what kinds of things we would be looking at.

Right now we do have Government Services people, as I mentioned, and staff who are responsible for the actual day to day, but what the member opposite is talking about is where do we want to be in this building or with this building in 10 years. What do we want to see? I know there were some grandiose ideas at one time where, up in the dome, people actually talked about putting a restaurant up there and actually having the capability of viewing the city, actually having a restaurant, or changing the back of the building downstairs into a different type of facility, where you have right now the formal dining room, the legislative dining room, and then the other facility, and people were talking about maybe changing that. There are many people in this building with different ideas of what to do.

I know that the media often ask what kind of tourism opportunities are here. Where are the T-shirts, the sweatshirts, or the hoodies, or the pins? Why is there not a shop in this building that many

other buildings have? You know, where tourists actually come.

The member opposite is absolutely correct. Not only are there a lot of wedding parties that come here, but a lot of graduations, schools that come here. It will not be very long, within about a month, you will see carload after carload and busloads of students coming here just to hold their grad pictures here, never mind all the buses that come from the United States and other provinces coming here as tourists. So this building is a valuable building to us in more than just one way, not just a heritage building.

I do appreciate his comments, the Member for Carman (Mr. Rocan) as well as the MLA for Inkster, for showing interest in this building. It is very, very important, because this building, as everyone knows, if you do not maintain it properly, if you do not upkeep it, very similar to our roads, if you want to let it run down, it is very similar to anyone's house or automobile, then you are going to have to spend a lot of money at the end to do something about it.

\* (12:20)

Not only that, what the member is referring to is actually planning, like actually having a plan that you can work toward, and that there is unanimous agreement, that there is an agreement on what we can do here, without people taking partisan shots at each other for doing something, and at least having something that we can be united behind.

I do appreciate his suggestion. I would just like the opportunity to think about it a bit. Maybe he can provide me with more suggestions in the meantime.

**Mr. Lamoureux:** Mr. Chair, I truly appreciate the comments from the minister.

Last year I had made reference that I had visited the Kansas Legislature, with beautiful murals. I just love the idea, in a very apolitical fashion. Maybe the best way to leave it is we will have some private discussions and maybe see if we can involve one or two other people in regard to it. I think it is worth proceeding. I will just leave it at that.

Can the minister indicate what rooms inside the Legislature is an MLA entitled to book? I know, for example, you can book committee rooms. I believe there is a room on the third floor. Can you just indicate what rooms are available to be booked by MLAs?

**Mr. Lemieux:** The member is correct in his question. Maybe I am reading between the lines, but there is limited space here for meetings, and that is a bit of a challenge. It is a working building. There are a lot of people in this building, and a lot of rooms are being used. The room numbers I have been provided with by staff are rooms 334, 254, 255, and the dining room. They are the rooms that can be booked. Often there is a bit of a waiting list as well. They are really heavily used, but you have to reserve them, or you have to book them. Thank you.

**Mr. Lamoureux:** I thank the minister. In regard to the dining room, I understood that there was actually a change in cooks and so forth. I take it there is a new contract that is out. Is it both sides of the dining room, like the same person runs both sides, and if we want to book—there are actually three areas. There is the larger formal dining room, I would classify. Then there is a smaller formal dining room, or the private meeting room, and then there is the cafeteria. The areas that can be booked from there would be, is it just the small dining room, or both dining rooms? I suspect you cannot book the cafeteria.

**Mr. Lemieux:** The member is correct. There is a new company now that is running the dining service as well as the kitchen downstairs, the cafeteria and the dining room. It was one that was tendered out, and it is the new people that are there now. There are three rooms. There is what I call the cafeteria. Then there is the small kind of formal dining room, small meeting room/dining room, and then there is the larger MLAs' dining room, the more formal dining room. There are three parts, but that is all booked through the people who are responsible for the kitchen services downstairs, for the food services downstairs. They are the ones who you have to make arrangements through, if you want to be able to use the space.

**Mr. Lamoureux:** The other rooms, 334, 254, 255, is that done, then, through Government Services, I believe? *[interjection]* Through Patricia? Oh, I understand, Mr. Chairperson, 254, 255 would be through the Assembly; 334 would be through Government Services. Okay.

What about Room 200? Who is responsible? I know on occasion that room is utilized.

**Mr. Lemieux:** Thank you very much for the question. That is through the Clerk's office.

**Mr. Chairperson):** No. Executive Council.

**Mr. Lemieux:** I am sorry. I stand corrected. It is through Executive Council, but the Clerk of the Executive Council is probably the one who you would have to talk to and so on. I guess that is the room that is formally known as the Manitoba Room, I believe. *[interjection]* Well, I know it as the Manitoba Room. I have always known it as that. At least, I do not know if there is a difference in terminology, but I have always known it as the Manitoba Room.

**Mr. Lamoureux:** The Manitoba Room is the way in which I have known it, too, and I think the Member for Carman (Mr. Rocan) recognizes that, too.

There is the park you have at the front of the Legislative Building, and then you have the park, Memorial Park. Who is ultimately responsible for that park?

**Mr. Lemieux:** I believe the member is referring to where the water fountains are and that stretch of land that is going from the Legislature heading toward Portage Avenue? It is Government Services that is responsible for that, and it is actually beautiful property. Recently, we just put a memorial there with regard to veterans, and so on. It is Government Services that is responsible for that.

**Mr. Lamoureux:** Now, I know the City, on its parks, if you want to be able to use it for an activity, you have to book it. Is it the same thing here that there is a booking process for the facility?

**Mr. Lemieux:** Yes. When people just come to have a picnic with their family, you know when the bears were out last year, people, many families came and had a picnic, but we do have—I am going back by memory now, I am not sure what exactly it was called, but it is where the different restaurants have a gathering, Taste of Manitoba. It is a fantastic event, but they would have to book that through Government Services in order to obtain it if it is a larger group. But regular families, I think people just appreciate their using the water fountains. In fact, some children like to run through those water fountains and enjoy the water on a plus-30 day. But, if it is a large organization like Taste of Manitoba, they have to book it through Government Services.

**Mr. Lamoureux:** Now, along the Assiniboine River, what percentage of that river bank would then be owned by the Province? I am thinking in terms of the Osborne Bridge. I am assuming that that is where it would start if we own all the way up to that point. How far along the river bank?

**Mr. Lemieux:** I have been advised that the sidewalk itself, from the sidewalk, is the City of Winnipeg's. Same with the docking area at the very back of the Legislature is the City of Winnipeg. But, up the embankment toward the Legislature, all the way to the Legislature is the Province of Manitoba's. It is Crown.

**Mr. Lamoureux:** The assumption, then, of course, would be you are referring to the river walk which belongs to the City, and that would take it right down to the Forks.

In terms of the greenery, like you had mentioned, I believe I saw some of the bears in the back. Are we looking at that as just like a continuation for the next little while, or are you thinking of that as more of a permanent thing on the back yards?

**Mr. Lemieux:** I have to tell the Member for Inkster (Mr. Lamoureux) that we were very, very pleased to partner with CancerCare Manitoba in this initiative

and to bring the bears out of hibernation and give them a home once again. Even though it is off of Broadway, we still believe that it provides an ability for CancerCare to get their message across, their educational message. It gives them some publicity and enables them to benefit from having the bears out and displayed.

Currently, there is an agreement with CancerCare Manitoba for at least two years, for these two years to be there, and they are responsible for maintaining them and ensuring that the quality and the look of them are still respectable and so on. That is the current agreement we have with them.

**Mr. Chairperson:** Committee rise. Call in the Speaker.

#### IN SESSION

**Mr. Deputy Speaker (Conrad Santos):** The hour being 12:30, this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, May 26, 2006**

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